

CHICAGO AND



TRANSPORTATION COMPANY

14281

RECORDATION NO. _____ FILED 1984

MAR 2- 1984 - 3 25 PM

INTERSTATE COMMERCE COMMISSION

March 1, 1984

File No. A-12203

4-062A058

OFFICE OF THE SECRETARY

DIRECT DIAL NUMBER

(312) 559-6167

Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20036

No. _____
Date MAR 2 1984
Fee \$ 50.00
ICC Washington, D.C.

Dear Ms. Mergenovich:

Pursuant to Section 11303 (formerly Section 20c) of the Interstate Commerce Act, enclosed for recordation are counterparts of a Consolidated Mortgage Indenture dated as of January 15, 1984 by and between Chicago and North Western Transportation Company and American National Bank and Trust Company of Chicago.

The names and addresses of the parties to the transaction are as follows:

1. Chicago and North Western Transportation Company, One North Western Center, Chicago, Illinois 60606
2. American National Bank and Trust Company of Chicago, 33 North LaSalle Street, Chicago, Illinois 60602.

Enclosed is our check for \$50.00 to cover your recording fee. Keep one counterpart for your files and return the other counterparts each showing your recordation data.

Sincerely,

Joan A. Schramm
Joan A. Schramm
Assistant Secretary

Enclosures

cc: Ron Breman
American National Bank
and Trust Company of Chicago

J. M. Foote
M. H. Shumate

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14281

REGISTRATION NO. FILED 1428

MAR 2 - 1984 - 3 25 PM

INTERSTATE COMMERCE COMMISSION

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

TO

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

TRUSTEE.

CONSOLIDATED MORTGAGE

DATED AS OF JANUARY 15, 1984

TIE-SHEET

of provisions of Trust Indenture Act of 1939 with Consolidated Mortgage Indenture dated as of January 15, 1984 between Chicago and North Western Transportation Company and American National Bank and Trust Company of Chicago, Trustee:

<u>Section of Act</u>	<u>Article/Section of Indenture</u>
310(a) (1) and (2)	Ten/10
310(a) (3)	Ten/18(b) (ii)
310(a) (4)	Not applicable
310(b)	Ten/9, 10
310(c)	Not applicable
311(a) and (b)	Ten/14
311(c)	Not applicable
312(a)	Four/4(d) and Ten/16(a)
312(b) and (c)	Ten/16(b) and (c)
313	Ten/15
314(a)	Four/4
314(b)	Four/5
314(c) (1) and (2)	Fifteen/5(a)
314(c) (3)	Not applicable
314(d) (1)	Nine/8 and 10
314(d) (2)	Not applicable
314(d) (3)	Two/5B(b) and (c) and Nine/8 and 10
314(e)	Fifteen/5(b)
315(a) (c) and (d)	Ten/1 and 2
315(b)	Six/2
315(e)	Six/25
316(a) (1)	Six/20 and Fourteen/4
316(a) (2)	Omitted
316(b)	Six/20
317(a)	Six/14 and 15
317(b)	Four/2 and 3
318(a)	Fifteen/9(b)

This tie-sheet is not part of the Consolidated Mortgage Indenture as executed.

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THIS CONSOLIDATED MORTGAGE INDENTURE, dated as of January 15, 1984, by and between CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, a corporation duly organized and existing under the laws of the State of Delaware (hereinafter called the Company), party of the first part, and American National Bank and Trust Company of Chicago, a national banking association, as Trustee (hereinafter called the Trustee), party of the second part:

WHEREAS, the Company owns, or is in possession of, under leases or other arrangements, and operates, lines of railroad in the States of Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Wisconsin and Wyoming; and

WHEREAS, the Company desires to provide funds for its lawful corporate purposes and to borrow money for such corporate purposes by the creation of the mortgage imposed by this Consolidated Mortgage Indenture (such mortgage, as it may be hereafter from time to time supplemented and amended by any supplemental indenture entered into pursuant to any of the provisions thereof, being hereinafter called the Indenture) upon properties of the Company and the issue hereunder from time to time, in the manner and form provided in the Indenture, of its mortgage bonds (hereinafter called the Bonds); and

WHEREAS, all acts and things prescribed by law and by the Certificate of Incorporation and By-Laws of the Company have been duly performed and complied with and the Company has duly executed and delivered this Consolidated Mortgage Indenture in the exercise of the legal rights and powers vested in it, and all things necessary to make this Consolidated Mortgage Indenture a valid, binding and legal agreement have been duly done and performed;

NOW, THEREFORE, This Consolidated Mortgage Indenture Witnesseth:

That, in order to declare the terms of the Indenture, and for and in consideration of the premises and of the sum of \$10 by each party to the other paid, receipt whereof is hereby acknowledged, and for other good and valuable considerations, the parties hereto do hereby agree that in order to secure, equally and ratably, the payment of the principal of, and the premium, if any, and interest on, all Bonds and to secure the performance and observance of all the covenants and conditions therein and in this Consolidated Mortgage Indenture and the Indenture contained, and in order to charge with such payment and such performance and observance the property hereinafter referred to, the Company by these presents does mortgage, pledge, grant, give, bargain, sell, alien, remise, release, convey, confirm, assign, transfer and set over unto the Trustee and to its successor or successors in the trust, and its assigns, and hereby confirms the lien of the Indenture on, all property described in Annex A to this Consolidated Mortgage Indenture other than such as may be excepted therefrom as specified below under Excepted Properties.

Excepted Properties

There is excepted from the Indenture and reserved to the Company, its successors and assigns, free and clear of the lien thereof, all of the trackage and other property of the Company presently used for the purpose of railroad commuter service in the Counties of Cook, Lake, McHenry, Kane, Will and DuPage, Illinois; provided, however, that the right of the Company to use for freight purposes all portions of such trackage which the Company presently uses for freight purposes shall be subject to the lien of the Indenture.

There is excepted from the Indenture and reserved to the Company, its successors and assigns, free and clear of the lien thereof, all of the timber and all of the coal, oil, gas, sulphur, iron, zinc, lead, gold, uranium, and other minerals (whether similar or dissimilar to the minerals herein specifically mentioned, and whether now known to exist or hereafter discovered) and any interest, right or title of any kind or character whatsoever in said timber and minerals in, under or upon the property and premises at any time subject to the lien of the Indenture, and all structures, equipment, and facilities used or provided in connection therewith, and the Company, its lessees, successors or assigns, shall have the right of ingress and egress over, on or upon any and all of the property and premises subject to the lien of the Indenture at any and all times for the purpose of developing, exploring for, drilling, mining, removing or processing said timber and minerals in, under or upon the above-described property and premises, subject to the limitation that the use of the property and premises subject to the lien of the Indenture for railroad purposes may not be materially interfered with or adversely affected.

It is not intended to include in the lien of the Indenture and the grant thereof shall not be deemed to apply to pipelines, tanks and other facilities appertaining to or provided for the transportation of liquid commodities through pipelines; nor to telegraph, telephone, microwave and other communication and transmission facilities not used solely or primarily for railroad purposes; nor to any air rights or subsurface rights existing in connection with any of the property subject to the lien of the Indenture, provided that the use of such air rights or subsurface rights does not unreasonably interfere with or adversely affect the use for railroad purposes of the surface of the earth beneath such air rights or above such subsurface rights (the terms "air rights" and "subsurface rights" as used herein being deemed to include any estate or interest in space above or below the surface of the earth, together with any estate or interest in the surface or subsurface above or below any space which is conveyed with such space for the purpose of providing support for, or access to, or any other right necessary in connection with, any structure or structures or excavation or excavations within such space or to be constructed within such space); nor to (a) rents, issues, profits, tolls and other income of property subject to the lien of the Indenture or (b) any cash (including any bank accounts and time deposits), bills, notes or accounts receivable or contracts (except such as are specifically pledged or required to be pledged under the Indenture) or (c) any materials or supplies or construction materials or (d) any small tools not constituting fixtures, unless

and until some one or more of the events of default specified in Section 1 of Article Six of the Indenture shall have happened and be continuing, but, upon the happening of any such event of default, all such property which but for this last clause of this paragraph would be subject to the lien of this Indenture shall immediately become subject to the lien of the Indenture to the extent permitted by law.

Anything hereinabove or in the Indenture contained to the contrary notwithstanding, the Company excepts and reserves, out of any grant made by the Indenture or pursuant thereto, the last day of the term of each leasehold estate (oral or written, or any agreement therefor) now or hereafter enjoyed by the Company, at any time subjected to the lien of the Indenture.

TO HAVE AND TO HOLD the railroads, premises, properties, real and personal, rights, franchises, estates, and appurtenances mortgaged, conveyed, and assigned, or intended to be mortgaged, conveyed or assigned (hereafter sometimes called the "trust estate") by the Indenture unto the Trustee, its successors in the trust and its and their assigns, forever.

SUBJECT, (a) as to any property (whether now owned or hereafter acquired) embraced in or affected by any Present Company Indenture creating a lien constituting a charge on such property prior to the lien of the Indenture, to the lien of such Present Company Indenture to the extent that the lien thereof attaches and to the provisions relating to the release of such property from the lien thereof, (b) as to any property (now owned) embraced in or affected by any other Prior Lien Indenture creating a lien constituting a charge on such property prior to the lien of the Indenture, to the lien of such Prior Lien Indenture to the extent that the lien thereof attaches, **provided**, that all such other Prior Lien Indentures shall secure Prior Lien Obligations in a principal amount not in excess of \$10,000,000 as of the date hereof, and (c) to Excepted Encumbrances.

SUBJECT, as to any other property hereafter acquired, constructed or installed by the Company and becoming subject to the lien of the Indenture, to any liens thereon existing at the time of such acquisition, construction or installation by the Company or created or attaching in connection with such acquisition, construction or installation.

BUT IN TRUST, for the equal and proportionate benefit and security of all present and future holders of the Bonds and for the enforcement of the payment of the Bonds and of the interest thereon, when payable, and the performance of, and compliance with, the covenants and conditions of the Indenture, without preference, priority or distinction as to lien or otherwise of any one Bond over any other Bond of the same or any other series by reason of priority in the issue or negotiation thereof or by reason of the purpose of its issue, so that each and every Bond issued or to be issued under the Indenture shall have the same right, lien and privilege under and by virtue of the Indenture, and so that the principal of and premium, if any, and interest on each Bond shall, subject to the terms hereof, be equally and proportionately secured by the Indenture, as if all had been duly issued, sold and negotiated simultaneously with the execution and delivery of this Consolidated Mortgage Indenture.

ARTICLE ONE

Form, Issue, Execution, Registration And Exchange of Bonds.

Section 1. The aggregate principal amount of Bonds which may be authenticated and delivered under this Indenture, or which may be outstanding at any one time, is not limited.

From time to time the Bonds shall be signed and sealed on behalf of the Company, and delivered to the Trustee for authentication by it, and thereupon, as provided in this Indenture and not otherwise, the Trustee shall authenticate and deliver the same. On demand of the Company, in writing, Bonds shall be authenticated by the Trustee and delivered to the Company, or upon the Company's written order, in advance of the registration or recording of this Indenture, but the Company covenants that with all convenient speed it will cause this Indenture to be duly recorded and continuously kept recorded as may be required by law as a mortgage upon the railroads and upon any other property subject hereto.

Section 2. The Bonds shall be signed on behalf of the Company by its President or one of its Vice Presidents, and its corporate seal shall be thereto affixed (or a facsimile thereof impressed, imprinted or engraved thereon) and attested by its Secretary or one of its Assistant Secretaries. The signature of the President, Vice President, Secretary or Assistant Secretary may be in the form of a facsimile signature and may be imprinted or otherwise reproduced on the Bonds. In case any of the officers of the Company who shall have signed and sealed any of the Bonds shall cease to be such officers before the Bonds so signed and sealed have been actually authenticated and delivered by the Trustee, such Bonds may, nevertheless, be issued, authenticated and delivered, as though the persons who signed and sealed such Bonds have not ceased to be officers of the Company and any such Bond may be signed and sealed and the seal thereon attested on behalf of the Company by any person who at the actual date of the execution of such Bond shall be a proper officer of the Company, even though at the nominal date of such Bond, such person was not such officer. The Bonds may be engraved, lithographed or printed in whole or in part.

Only such Bonds as shall bear thereon an authentication certificate, executed by the Trustee as provided herein, shall be secured by this Indenture or entitled to any lien, right, or benefit hereunder; and such authentication by the Trustee upon any such Bond shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the holder is entitled to the benefit of the trust hereby created.

Section 3. The Bonds may be issued in series and the Bonds of each series shall be distinctively designated and may be numbered in any manner prescribed by the Company.

The several series of Bonds may differ as among series in respect of any or all of the following characteristics:

- (a) title;
- (b) date;

- (c) date of maturity;
- (d) interest rate;
- (e) interest payment dates;
- (f) denominations;
- (g) provisions, if any, in respect of sinking fund;
- (h) provisions, if any, as to exchangeability of Bonds for Bonds of different denominations;
- (i) provisions as to place or places of payment, and the coin or currency in which the principal amount of Bonds and the interest thereon shall be payable;
- (j) limitations, if any, upon the aggregate principal amount of Bonds of such series which may be issued;
- (k) provisions, if any, for the payment of principal or interest with or without deductions for taxes or for reimbursement for taxes;
- (l) provisions, if any, in respect of the right of the Company to redeem Bonds before maturity;
- (m) provisions, if any, for the conversion of Bonds into stock or other securities of the Company or the exchange thereof for the stock or other securities of other corporations; and
- (n) in any other respect not in conflict with the provisions of this Indenture.

The Bonds of Series A and the Trustee's certificate of authentication thereon shall be substantially in the form set forth in Annex B hereto. Bonds of other series and the Trustee's certificate of authentication thereon shall be in such form or forms, not inconsistent with the provisions hereof, as may be approved by the Board of Directors of the Company at the time of the creation of such series. All Bonds of the same series shall be identical in form, except that Bonds of a series may be of different numbers, of different denominations, and may have serial maturities, in which case the serial maturities may differ in respect of redemption price and interest rate, and except that as between Bonds of different denominations there may be such appropriate differences, authorized or permitted by this Indenture, as may be determined by the Board of Directors of the Company or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Bonds may be listed or to conform to usage at the time of the creation of said series.

Section 4. Registered Bonds without coupons of each series shall be dated the date of authentication and shall bear interest from the latest interest payment date to which interest has been paid or duly provided for preceding the date of authentication unless such date of authentication be an interest payment date to which interest has been paid or duly provided for, in which case they shall bear interest from such date of authentication, provided that registered Bonds authenticated prior to the first interest payment date for a series of Bonds shall bear interest from such date as shall be specified in the form of Bond for such series; provided, however, that with respect to registered Bonds without coupons of any series if and to the extent so provided in the Bonds of such series, interest shall be payable, so long as there is no existing default in the payment of interest, to the persons who are the registered holders of such

bonds on a specified record date prior to each interest payment date, and any such Bond authenticated after a record date and on or prior to the next succeeding interest payment date shall bear interest from such next succeeding interest payment date.

Section 5. All the Bonds of any series shall be payable, as to principal, premium, if any, and interest, at such place or places and in such coin or currency as may be designated in said Bonds, respectively.

Section 6. The Bonds of Series A shall be issued as registered Bonds without coupons in denominations of \$1,000 or any multiple of \$1,000 and shall be exchangeable for registered Bonds of Series A of other authorized denominations of like aggregate principal amount.

Section 7. The Company will keep, at the office or agency to be maintained by it for that purpose in accordance with the provisions of Section 2 of Article Four hereof, a sufficient register or registers for the registration and registration of transfer of the Bonds, which shall, at all reasonable times, be open for inspection by the Trustee. The provisions of this Section 7 and of Sections 8 and 11 of this Article One are subject to the provisions of Section 1 of Article Three hereof.

Every registered Bond without coupons shall be transferable only by the registered owner thereof, in person or by his duly authorized attorney, on said books of the Company.

Whenever any registered Bond or Bonds without coupons shall be surrendered for transfer, accompanied by delivery of a written instrument of transfer in a form satisfactory to the Company and the Trustee, executed by the registered owner, or by his attorney duly authorized in writing, the Company shall execute, and the Trustee shall authenticate and deliver to the transferee, on cancellation of the Bond or Bonds so surrendered, a new registered Bond or Bonds without coupons of the same series and for a like aggregate principal amount.

Section 8. Whenever any Bond or Bonds exchangeable for Bonds of other denominations shall be surrendered for exchange for Bonds of other denominations (accompanied, if so required by the Company or the Trustee, by delivery of a written instrument of exchange in form satisfactory to the Company and the Trustee, executed by the holder thereof or by his attorney duly authorized in writing) the Company shall execute and the Trustee shall authenticate and deliver, on cancellation of the Bond or Bonds surrendered, a like aggregate principal amount of Bonds of the same series, in such other denominations as may have been authorized, bearing interest from the date to which interest shall have been paid on the Bond or Bonds so surrendered.

In every case of exchange, the Trustee forthwith shall cancel the surrendered Bond or Bonds and destroy the same, and deliver a certificate of destruction to the Company.

For any transfer of registered Bonds without coupons and for any exchange of Bonds for Bonds of other denominations, the Company, at its

option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge or any other expense connected therewith.

Section 9. As to any registered Bond without coupons, the person in whose name the same shall be registered on the books of the Company shall, for all purposes of this Indenture, be deemed and regarded as the owner thereof, and thereafter payment of, or on account of, the principal and interest of such Bond shall be made only to, or upon the order of, such registered owner thereof on the date fixed for payment or, if a record date for payment has been established for such Bond as permitted hereby, on such record date, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid.

Section 10. Until the definitive Bonds shall be prepared, the Company may sign and seal and, upon the written request of the Company, the Trustee shall authenticate and deliver, in lieu of such definitive Bonds and subject to the same provisions, limitations and conditions, temporary Bonds, which may be printed, lithographed or typewritten, of any authorized denomination, substantially of the tenor hereinbefore recited, in registered form without coupons and with appropriate omissions, insertions and variations as may be required and authorized by the Board of Directors of the Company. Any provision for the exchange of Bonds of one denomination for Bonds of another denomination may be omitted from temporary Bonds of any denomination, or temporary Bonds of any denomination may be made exchangeable for temporary Bonds of any other denomination upon such terms and conditions as may be therein expressed or provided.

Upon surrender of such temporary Bonds for exchange, the Company, at its own expense, shall prepare, sign and seal, and, upon cancellation of such surrendered Bonds, the Trustee shall authenticate and shall deliver in exchange therefor, definitive Bonds of the same series for the same aggregate principal amounts as the temporary Bonds surrendered, bearing interest from the date to which interest shall have been paid on such surrendered Bonds. Until so exchanged, the temporary Bonds shall, in all respects, be entitled to the same lien and security of this Indenture as the definitive Bonds authenticated and delivered hereunder; and interest, when and as payable, shall be paid, and payment of such interest endorsed thereon. As soon as definitive Bonds are ready for delivery in exchange for temporary Bonds, the Company may require that interest thereafter payable in respect of any temporary Bond shall be paid only upon the surrender of the temporary Bond in exchange for a definitive Bond or Bonds, as herein provided.

Section 11. In case any registered Bond without coupons or any temporary Bond without coupons shall become mutilated or be destroyed, stolen or lost, the Company, in its discretion, may sign and seal, and thereupon the Trustee shall, subject to the satisfaction of the further conditions of this Section 11, authenticate and deliver, a new Bond of like tenor, in exchange and substitution for, and upon cancellation of, the mutilated registered or temporary Bond without coupons, or in lieu of and in substitution for the same if so destroyed, stolen or lost. If any such mutilated, destroyed, lost or stolen Bond shall have matured or shall be about

to mature or shall have been called for redemption, the Company may pay the same (without surrender thereof except in the case of a mutilated Bond) instead of issuing a substituted Bond. In the case of destruction or loss or theft, applicant for a substituted Bond shall furnish the Company and the Trustee evidence to the satisfaction of each of them in their absolute discretion of the destruction, theft or loss of such registered or temporary Bond without coupons, and of the ownership thereof, and also such security or indemnity as shall be required by the Company and the Trustee, respectively, and shall comply with such other reasonable regulations as the Company or the Trustee may prescribe. For any such issue of a new Bond, the Company may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge connected therewith, and also for all expenses incurred in connection with such exchange or substitution.

Section 12. The Bonds of Series A shall be payable on January 15, 2004; shall bear interest at the rate per annum specified in the form thereof annexed as Annex B hereto, from the date of original issuance thereof in the case of Bonds authenticated prior to July 15, 1984, payable semi-annually on the fifteenth day of January and on the fifteenth day of July in each year until the payment of the principal sum; and shall be payable as to both principal and premium, if any, at the office or agency of either the Trustee or the Company maintained for that purpose in the City of Chicago and in the Borough of Manhattan, The City of New York, and as to interest, unless other arrangements are made, by checks mailed to the persons in whose names the Bonds are registered at the close of business on December 31 and June 30, as the case may be, immediately preceding such January 15 and July 15, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Temporary Bonds of Series A may be issued as provided in Section 10 of this Article One.

Subject to the provisions of Section 1 of Article Three, the Bonds of Series A are redeemable before maturity, at the option of the Company, as a whole, or in part by lot, on any date, at the optional redemption prices specified therein and unpaid interest accrued thereon to the date designated for redemption; provided, however, that no such optional redemption may be effected prior to January 15, 1994 directly or indirectly from or in anticipation of moneys borrowed by or for the account of the Company at an interest cost (calculated in accordance with generally accepted financial practice) of less than the rate per annum specified therein. In the case of any redemption pursuant to this paragraph prior to January 15, 1994, the Company will deliver to the Trustee on or prior to the date fixed for redemption an Officers' Certificate stating that such redemption will comply with the provisions of the proviso contained in the foregoing sentence of this paragraph.

As and for a sinking fund for the retirement of Series A Bonds and so long as any of the Series A Bonds remain outstanding and unpaid, the Company shall pay to the Trustee or to one or more paying agents in cash, except as hereinafter provided, on or before January 15, in each year commencing with the year 1995 and thereafter to and including January 15, 2003, an amount sufficient to redeem the applicable principal amount of

Series A Bonds (or the principal amount then outstanding, if less) at the applicable sinking fund redemption price set forth in the form of the Series A Bonds. The last date on which any such payment may be made is herein referred to as a "sinking fund payment date".

At its option the Company may pay into the sinking fund for the retirement of Series A Bonds, on or before each sinking fund payment date, any additional sum in cash (except as hereinafter provided) up to but not exceeding the mandatory sinking fund payment due on such sinking fund payment date. If the Company intends to exercise its right to make any such optional sinking fund payment, it shall deliver to the Trustee at least 45 days prior to such sinking fund payment date an Officers' Certificate stating that the Company intends to exercise such optional right and specifying the amount which the Company intends to pay on such sinking fund payment date. If the Company fails to deliver such certificate at or before the time provided above, the Company shall not be permitted to make any optional sinking fund payment with respect to such sinking fund payment date. To the extent that such right is not exercised in any year it shall not be cumulative or carried forward to any subsequent year. No such optional payment shall operate to reduce the amount of any mandatory sinking fund payment.

If the sinking fund payment or payments (mandatory or optional) to be made in cash plus any unused balance of any preceding sinking fund payments made in cash shall exceed \$50,000 (or a lesser sum if the Company shall so request) on any sinking fund payment date, such aggregate amount shall be applied by the Trustee or one or more paying agents on such sinking fund payment date to the redemption of Series A Bonds at the sinking fund redemption price together with accrued interest to the date fixed for together with accrued interest to the date fixed for redemption. The Trustee shall select, in the manner provided in Article 3 hereof, for redemption on such January 15 a sufficient principal amount of Series A Bonds to absorb said cash, as nearly as may be practicable, and the Trustee shall, at the expense and in the name of the Company, thereupon cause notice of redemption of such Series A Bonds to be given in substantially the manner and with the effect provided in Article 3 hereof for the redemption of Series A Bonds in part at the option of the Company, except that the notice of redemption shall also state that the Series A Bonds are being redeemed for the sinking fund. Any sinking fund moneys not so applied or allocated by the Trustee or any paying agent to the redemption of Series A Bonds shall be added to the next cash sinking fund payment received by the Trustee or such paying agent and, together with such payment, shall be applied in accordance with the provisions of this Section 12. Any and all sinking fund moneys held by the Trustee or any paying agent on January 15, 2004, and not held for the payment or redemption of particular Series A Bonds, shall be applied by the Trustee or such paying agent, together with other moneys, if necessary, to be deposited sufficient for the purpose, to the payment of the principal of the Series A Bonds at maturity.

On or before each sinking fund payment date, the Company shall pay to the Trustee or to one or more paying agents in cash a sum equal to all interest accrued to the date fixed for redemption on Series A Bonds to be redeemed on such date pursuant to this Section 12.

In lieu of making all or any part of any sinking fund payment in cash, the Company at its option (i) may deliver to the Trustee Series A Bonds theretofore purchased by the Company and (ii) may apply as a credit, the amount of Series A Bonds which have been redeemed pursuant to the second paragraph of this Section 12; provided that such amount of Series A Bonds shall not have previously been so applied. Series A Bonds so delivered or applied shall be credited at the sinking fund redemption price. If the Company intends so to deliver or apply Series A Bonds with respect to any sinking fund payment, it shall deliver to the Trustee at least 45 days prior to such sinking fund payment date (a) an Officers' Certificate specifying the respective portions of such sinking fund payment to be satisfied by payment of cash and by the delivery or application of Series A Bonds and (b) (unless previously delivered) such Series A Bonds or the undertaking of any New York Stock Exchange member firm, trust company or bank, or other depository satisfactory to the Trustee, to deliver such Series A Bonds at least 15 days before such sinking fund payment date. All Series A Bonds so delivered to the Trustee shall be cancelled by the Trustee and no Series A Bonds shall be authenticated in lieu thereof. If the Company fails to deliver such certificate and either such Series A Bonds or such undertaking at or before the time provided above, the Company shall not be permitted to satisfy any portion of such sinking fund payment by delivery or application of Series A Bonds.

Any holder of Series A Bonds in whose name is registered an aggregate principal amount of Series A Bonds at least equal to \$100,000 may, by written notice to the Trustee delivered at least 60 days prior to a sinking fund payment date, direct the Trustee to select for redemption on each sinking fund payment date thereafter occurring such principal amount of Series A Bonds registered in the name of such holder as has an aggregate sinking fund redemption price which bears the same proportion to the aggregate sinking fund redemption price of all the Series A Bonds to be called for redemption on such sinking fund payment date as (y) the aggregate principal amount of Series A bonds registered in the name of such holder on a date selected by the Trustee not more than 10 days prior to the selection by the Trustee of Series A Bonds for redemption on such sinking fund payment date, bears to (z) the aggregate principal amount of Series A Bonds outstanding on such date. In such event (i) the principal amount of Series A Bonds to be selected by the Trustee, as provided in Article Three hereof, shall be proportionately reduced and (ii) there shall not be included in the selection made any Series A Bonds registered in the name of any holder of Series A Bonds whose Series A Bonds are selected for redemption as hereinabove provided in this paragraph. Any notice given by any holder of Series A Bonds as provided in the first sentence of this paragraph shall remain in effect unless and until (a) revoked by written notice delivered by such holder to the Trustee at least 60 days prior to the sinking fund payment date or dates in respect of which such revocation is expressed to be applicable or (b) such holder is no longer a holder of at least \$100,000 in aggregate principal amount of Series A Bonds. In any selection of Series A Bonds for redemption pursuant to this paragraph, the Trustee shall, according to such method as it shall deem to be proper, make such adjustments by increasing or decreasing by not more than \$1,000 the principal amount of Series A Bonds of each holder selected pursuant to this paragraph, as may be necessary to the end that the principal amount of

Series A Bonds of such holder selected for redemption shall be \$1,000 or an integral multiple thereof.

ARTICLE TWO.

Issue Of Bonds.

Section 1. Upon or at any one time after the execution of this Indenture, the Company shall execute and deliver to the Trustee a single issue of not in excess of \$75,000,000, principal amount, of Bonds of Series A, and thereupon the Trustee shall authenticate said Bonds and deliver the same upon the written order of the Company without awaiting the filing or recording of this Indenture and without further action by the Company other than that the Company shall cause to be delivered to the Trustee an opinion of counsel that, except as therein specified, no authorization of the issue of said Bonds at the time is required by law to be given by any commerce, public service or public utilities commission, railroad commission, or other governmental authority having jurisdiction in the premises, and, if such opinion of counsel shall specify any governmental authority whose authorization is so required, it shall be accompanied by a copy (authenticated in such a manner as may be satisfactory to the Trustee) of the order or certificate authorizing the issue of such Bonds, made or given by the governmental authority specified in such opinion of counsel and such opinion of counsel shall state that such order or orders, certificate or certificates, are sufficient authorization for the issue of such Bonds.

Section 2. The Company may at any time or from time to time execute and deliver to the Trustee not exceeding \$200,000,000, principal amount, of Bonds of one or more series other than Series A and thereupon, in accordance with the written request of the Company, the Trustee shall authenticate and deliver the same to the Company or upon its written order.

Whenever requesting the authentication and delivery of any Bonds pursuant to this Section 2, the Company shall cause to be delivered to the Trustee

(a) a copy of a resolution or of resolutions of the Board of Directors of the Company, certified under its corporate seal by its Secretary or an Assistant Secretary, requesting the Trustee to authenticate and deliver a specified principal amount of Bonds of a designated series:

(b) an opinion of counsel that, except as therein specified, no authorization of the issue of said Bonds at the time is required by law to be given by any commerce, public service or public utilities commission, railroad commission, or other governmental authority having jurisdiction in the premises, and, if such opinion of counsel shall specify any governmental authority whose authorization is so required, it shall be accompanied by a copy (authenticated in such manner as may be satisfactory to the Trustee) of the order or certificate authorizing the issue of such Bonds, made or given by the governmental authority specified in such opinion of counsel and such

opinion of counsel shall state that such order or orders, certificate or certificates, are sufficient authorization for the issue of such Bonds; and

(c) a certificate signed by the President or a Vice President and also by the Comptroller or Treasurer or any financial or accounting Vice President of the Company, stating that the Company is not in default hereunder.

Section 3. The Company may at any time or from time to time execute and deliver to the Trustee in addition to the principal amount of Bonds authorized in Section 2 of this Article Two, Bonds of one or more series other than Series A and thereupon, in accordance with the written request of the Company, the Trustee shall authenticate and deliver the same to the Company or upon its written order, on the basis of the aggregate of the amounts determined under the following Clauses I through III (subject to applicable limitations and provided that expenditures pursuant to Clauses I and II shall exclude expenditures by or for account of a Controlled Company to the extent so made prior to the date on which said Company shall have become a Controlled Company) viz:

CLAUSE I. Expenditures made after January 15, 1984 for the acquisition, by construction, purchase, merger or consolidation, by the Company or by MRPI or by any Controlled Company, of lines of railroad, branches, or extensions, and terminals, including docks, warehouses, elevators, union depots, stations, and other real estate and fixtures comprising terminal facilities, or of undivided interests therein; **provided, however**, that with respect to property subject to a vendor's lien or purchase money mortgage, downpayments and principal payments shall be deemed expenditures made as and when paid.

CLAUSE II. Expenditures made after January 15, 1984 for the making, construction, or purchase, by the Company or by MRPI or by any Controlled Company, of extensions, additions, replacements, renewals, improvements, and betterments of every name and nature, to or of any of the lines of railroad or property, which, or an undivided interest in which, are then subject to the lien of this Indenture or owned by MRPI or by a Controlled Company, which extensions, additions, replacements, renewals, improvements, and betterments, at the time made, under the rules then in force of the Interstate Commerce Commission or other public authority having like jurisdiction, or under generally accepted accounting practice if there are no applicable rules of the Interstate Commerce Commission or other public authority, are properly chargeable to capital account; **provided, however**, that with respect to property subject to a vendor's lien or purchase money mortgage, downpayments and principal payments not exceeding the amount so chargeable shall be deemed expenditures made as and when paid.

CLAUSE III. The principal amount refunded (which term, whenever used in this Article Two, shall, unless the context otherwise requires, include paying, purchasing, redeeming, acquiring or refunding in any other manner, including the defeasance of the Prior Lien securing a Prior Lien Obligation or the causing of Prior Lien Obligations to be deemed not outstanding under the Prior Lien Indenture

securing the same) whether before, at, or after the maturity thereof, of Prior Lien Obligations (a) outstanding on or after January 15, 1984 secured by any Present Company Indenture, (b) secured by any Prior Lien on any lines of railroad or other property of the Company subjected to the lien of this Indenture after January 15, 1984, (c) secured by any Prior Lien on any lines of railroad or other property acquired by MRPI or by any Controlled Company after January 15, 1984, or (d) secured by any Prior Lien upon any lines of railroad or other property owned by any company which after January 15, 1984 shall become a Controlled Company (including, without limitation, any such Prior Lien Obligations held in treasury by the Company or any of its affiliates, whether acquired on original issuance or otherwise); provided, however, that such Prior Lien Obligations (except those secured by any Present Company Indenture) (i) were issued prior to the time when such lines of railroad or other property became subject to the lien hereof or were acquired by MRPI or by such Controlled Company, and were not retired prior to such time, or (ii) were created in connection with the acquisition of such lines of railroad or other property by the Company or by MRPI or by such Controlled Company or (iii) were outstanding at the date when such company becomes a Controlled Company or were created in connection therewith, or (iv) were issued or created as provided in Clauses (i), (ii) or (iii) of this proviso or for the purpose of the subsequent refunding of such Prior Lien Obligations issued for such refunding purposes (Prior Lien Obligations issued for the purpose of refunding or subsequent refunding under this Clause (iv) shall be deemed to have a principal amount not in excess of the principal amount of the Prior Lien Obligations refunded thereby).

Section 4. Bonds issuable under Section 3 of this Article Two shall be issued and deposited moneys paid out as hereinafter provided, on the basis of amounts specified in said Section 3, only subject to the provisions and restrictions hereinafter prescribed in this Section 4 and in Section 5 of this Article Two.

(a) Subject to the provisions of subparagraphs (c), (d) and (f) of this Section 4, Bonds may be authenticated and delivered or deposited moneys paid out on the basis of amounts specified in Clauses I and II of Section 3 of this Article Two in an amount not to exceed 75% of the amounts specified in said Clauses.

(b) Bonds may be authenticated and delivered or deposited moneys paid out on the basis of amounts specified in Clause III of Section 3 of this Article Two in an amount not to exceed the principal amount of Prior Lien Obligations refunded.

(c) Bonds shall not be authenticated and delivered or deposited moneys paid out on the basis of amounts specified in Clauses I and II of Section 3 of this Article Two in respect of any property, an undivided interest in which shall be subject to this Indenture or owned by MRPI or by a Controlled Company, to an amount exceeding 75% of that

percentage of the total actual cost of such property which shall be equal to the extent of the undivided interest in such property so subject to this Indenture or owned by MRPI or by a Controlled Company.

(d) The principal amount of Bonds authenticated and delivered and deposited moneys paid out on the basis of amounts specified in Clauses I and II of Section 3 of this Article Two relating to any property subject to any Prior Lien securing Prior Lien Obligations shall not exceed the excess of (i) 75% of the sum of the actual amount of such expenditures (amounts previously charged to capital account which, by reason of the proviso to Clauses I and II of Section 3 of this Article Two, will not be deemed expenditures until paid may be included as expenditures in this computation) and the principal amount of such Prior Lien Obligations issued and outstanding (including, without limitation, any such Prior Lien Obligations held in treasury by the Company or any of its affiliates, whether acquired on original issuance or otherwise) and not pledged with or assigned to the Trustee hereunder over (ii) such principal amount of such Prior Lien Obligations; **provided, however,** (A) that withdrawal pursuant to Section 11 of Article Nine of deposits pursuant to Section 5 of Article Four which prior to such deposit had been deposited under a Present Company Indenture which immediately prior to its discharge and cancellation was senior to another Present Company Indenture which has not been discharged and cancelled shall not be subject to or taken into account for purposes of this paragraph (d) and (B) that there shall not be taken into account for the purposes of this paragraph (d) any such Prior Lien Obligations issued under the Prior Lien Indenture creating such Prior Lien if the Company shall have covenanted and agreed in this Consolidated Mortgage Indenture or in any supplement to this Indenture not to originally issue or permit the original issuance of any additional Prior Lien Obligations under such Prior Lien Indenture thereafter, other than for the purpose of the refunding of not less than an equal principal amount of such Prior Lien Obligations (including, without limitation, any such Prior Lien Obligations held in treasury by the Company or any of its affiliates, whether acquired on original issuance or otherwise) issued prior to such time and not retired prior to such time or for the purpose of the subsequent refunding of not less than an equal principal amount of such Prior Lien Obligations (including, without limitation, any such Prior Lien Obligations held in treasury by the Company or any of its affiliates, whether acquired on original issuance or otherwise) issued for such refunding purposes.

(e) Bonds shall not be authenticated and delivered, or deposited moneys paid, in respect of expenditures made by or for account of any Controlled Company or in respect of the refunding of Prior Lien Obligations of a Controlled Company unless

(i) at the time such Controlled Company becomes a Controlled Company the Company covenants with the Trustee that no further obligations will be issued by such Controlled Company (which shall not preclude obligations constituting a lien on property prior to the time of its acquisition, or created in connection

with the acquisition of property, by such Controlled Company) (A) secured by a Prior Lien upon the property of such Controlled Company or (B) unsecured (other than obligations issued to the Company which the Company will not pledge or assign, other than under Present Company Indentures); or

(11) there be delivered to the Company and pledged or assigned under this Indenture, all Prior Lien Obligations of such Controlled Company then issued or issuable in respect of such expenditures under any Prior Lien Indenture upon the property of such Controlled Company, and, if Prior Lien Obligations of more than one class are so issuable, of the class having the best lien so far as available; and if and to the extent that Prior Lien Obligations are not issuable under any such Prior Lien Indenture in respect of such expenditures, unless there shall be delivered to the Company and pledged or assigned under this Indenture unsecured obligations of such Controlled Company; but the Prior Lien Obligations or unsecured obligations so pledged or assigned hereunder shall not be less in principal amount than the principal amount of the Bonds to be authenticated and delivered or the amount of deposited moneys paid in respect of such expenditures; and if any Prior Lien Obligations of a Controlled Company shall thereafter become issuable in respect of such expenditures, the Company covenants to deliver the same to the Trustee forthwith on the issue thereof against the cancellation and surrender of a like principal amount of the unsecured obligations previously pledged or assigned hereunder.

(f) Bonds shall not be authenticated and delivered nor deposited moneys paid out on the basis of amounts specified in Clauses I and II of Section 3 of this Article Two in respect of Equipment; **provided, however**, that this subparagraph (f) shall be inapplicable in the computation of the withdrawal pursuant to Clause (a) of Section 11 of Article Nine of cash or other proceeds deposited with the Trustee in respect of Equipment.

Section 5. A. Upon deposit with the Trustee of an amount in money equal to the principal amount of Bonds to be authenticated and delivered and upon delivery to the Trustee of

(a) a copy of a resolution or resolutions of the Board of Directors of the Company certified under its corporate seal by its Secretary or an Assistant Secretary, requesting the Trustee to authenticate and deliver such principal amount of Bonds of a designated series;

(b) an opinion of counsel that, except as therein specified, no authorization of the issue of such Bonds at the time is required by law to be given by any commerce, public service or public utilities commission, railroad commission, or other governmental authority having jurisdiction in the premises, and, if such opinion of counsel shall specify any governmental authority whose authorization is so required, it shall be accompanied by a copy (authenticated in such manner as may be satisfactory to the Trustee) of the order or certificate authorizing the issue of such Bonds, made or given by the governmental authority specified in such opinion of counsel and such opinion

of counsel shall state that such order or orders, certificate or certificates, are sufficient authorization for the authentication and delivery of such Bonds; and

(c) a certificate signed by the President or a Vice President, and also by the Comptroller or Treasurer or any financial or accounting Vice President of the Company, stating that the Company is not in default hereunder;

the Trustee shall, upon the written request of the Company, authenticate and deliver to the Company or upon its written order Bonds up to a principal amount equal to the amount of money so deposited. The moneys so deposited are herein sometimes called "deposited moneys" and shall be held in trust by the Trustee until paid out from time to time as hereinafter provided.

B. The deposited moneys shall be paid out and applied and (except against the deposit of moneys as in the foregoing Subsection A of this Section 5 provided) Bonds available for the purposes in Section 3 of this Article Two set forth shall be authenticated and delivered only upon and subject to the following further conditions and restrictions, viz.:

There shall in every case be delivered to the Trustee, the following instruments:

(a) A copy of a resolution or resolutions of the Board of Directors of the Company, certified under its corporate seal by its Secretary or an Assistant Secretary, requesting the Trustee to authenticate and deliver a specified principal amount of Bonds of a designated series, or to pay out a specified amount of deposited moneys, on the basis of expenditures or other amounts for which Bonds may be issued.

(b) A certificate signed by the President or a Vice President and also by the Comptroller or Treasurer or any financial or accounting Vice President of the Company, which, unless said certificate is based upon Clause III of Section 3 of this Article Two or unless one of the officers signing the same is an engineer and shall so state, shall also be signed by an engineer, setting forth either (i) that stated expenditures were made at times or during periods specified on account of one or more purposes specified in Clauses I and II of Section 3 of this Article Two and by or for account of the Company, or by or for account of MRPI or a Controlled Company through its own funds or funds advanced by the Company to MRPI or such Controlled Company, and, if by or for account of a Controlled Company, the name of such Controlled Company, the date on which it became a Controlled Company and either (A) that the Company has given the covenant provided for in subparagraph (e) (i) of Section 4 of this Article Two or (B) the amount and character of the Prior Lien Obligations or unsecured obligations of such Controlled Company to be delivered to the Company in respect of such expenditures, or (ii) that said certificate is based upon Clause III of Section 3 of this Article Two, and stating, as the case may be:

(1) that said expenditures were made after January 15, 1984

for one or more of the purposes set forth in Clause I of Section 3 of this Article Two and specifying whether they were made by the Company, MRPI or a Controlled Company (naming the same); and the general description and location and the mileage of lines of railroad, branches, or extensions, and the general description and location of the terminals, docks, warehouses, elevators, union depots, station or other terminal facilities acquired and, in case an undivided interest in property was acquired, the extent of such interest; or

(2) that said expenditures were made after January 15, 1984 for one or more of the purposes specified in Clause II of Section 3 of this Article Two and specifying whether they were made by the Company, MRPI or a Controlled Company (naming the same); and the general description and location of the extensions, additions, replacements, renewals, improvements, or betterments made, constructed or under construction, or purchased, and specifying whether the lines of railroad or other property, to or of which such extensions, additions, replacements, renewals, improvements, or betterments were made, or an undivided interest therein, are subject to this Indenture or owned by MRPI or a Controlled Company (naming the same) and, if an undivided interest, the extent of such interest; or

(3) if based upon Clause III of Section 3 of this Article Two, the description and principal amount of the Prior Lien Obligations refunded; the name of the corporation which issued the same and, if a Controlled Company, the date on which it became a Controlled Company and either (A) that the Company has given the covenant provided for in Clause (e) (i) of Section 4 of this Article Two or (B) the amount and character of the Prior Lien Obligations or unsecured obligations of such Controlled Company to be delivered to the Company in respect of such expenditures; an identification of the Present Company Indenture or a description of any other Prior Lien Indenture securing any such Prior Lien Obligations and also a general description of the lines of railroad or other property subject or formerly subject to said Prior Lien Indenture (if other than a Present Company Indenture), and specifying the particular respect in which said Prior Lien Obligations are the character described in said Clause III.

Such certificate shall also set forth in each case, other than in the case of expenditures for the purposes set forth in Clause III of Section 3 of this Article Two: (1) that the expenditures forming the subject of such certificate were not in excess of the fair value (at the time of such expenditures) or of the actual cost, of such property, or of such extensions, additions, replacements, renewals, improvements, or betterments (or, in case of property, or of extensions, additions, replacements, renewals, improvements, or betterments to or of any property, an undivided interest in which shall be subject to this Indenture or owned by MRPI or by a Controlled Company, were not

in excess of that percentage of such fair value or total actual cost which shall equal the extent of the undivided interest so subject to this Indenture or owned by MRPI or by a Controlled Company), whichever is less, and shall specify each such amount; (2) that none of such expenditures was charged to operating expenses or other cost of maintenance, and that all such expenditures, at the time made, were properly chargeable, or were paid as downpayments or principal payments for amounts of extensions, additions, replacements, renewals, improvements or betterments properly chargeable, to capital account under the rules in that behalf then in effect of the Interstate Commerce Commission, or other public authority having like powers, or under generally accepted accounting practice if there are then no applicable rules of the Interstate Commerce Commission or other public authority, and that no portion of the expenditures so certified has been included in any certificate previously furnished the Trustee under this Indenture, or made or reimbursed or provided for out of any Bonds or moneys under any other provision of this Indenture, or under any provision of any mortgage or other instrument constituting a Prior Lien thereon; (3) that there do not exist to the knowledge of the signers any unpaid claims incidental to the making, construction, purchase or acquisition of any property described in the certificate which constitute or might ripen into a Prior Lien sufficiently substantial in the opinion of the signers to impair the security hereof; and (4) any other matters pertinent to the right of the Company to obtain the authentication and delivery by the Trustee of Bonds or the payment of deposited moneys as the case may be under the provisions of this Section 5 (including paragraph (c) of this subsection B thereof) and that all provisions of this Indenture establishing conditions precedent to such right have been complied with.

Such certificate shall also contain the following statements in the cases hereinafter specified:

(i) If the authentication and delivery of Bonds, or the payment of deposited moneys, is requested pursuant to Clauses I or II of Section 3 of this Article Two, in respect of the acquisition by the Company or MRPI or a Controlled Company of lines of railroad or other property, such certificate shall also state whether such lines of railroad or other property so acquired are known or believed to be subject to any Prior Lien, in each instance specifying the character of any such Prior Lien, the amount of each thereof, including any and all deferred installments of the purchase price, the principal amount of the Prior Lien Obligations then issued and outstanding secured by any such Prior Lien, and the date or dates of maturity thereof, and the principal amount of such Prior Lien Obligations then pledged or assigned under this Indenture.

(ii) If the authentication and delivery of Bonds, or

the payment of deposited moneys, is requested pursuant to Clauses I or II of Section 3 of this Article Two, in respect of expenditures for the purposes stated in said Clauses, such certificate shall also state that the principal amount of the Bonds to be authenticated and delivered and deposited moneys paid out will not exceed 75% of the actual amount of such expenditures.

(iii) If the authentication and delivery of Bonds, or the payment of deposited moneys, is requested pursuant to Clause III of Section 3 of this Article Two, such certificate shall also state that the principal amount of the Bonds to be authenticated and delivered and deposited moneys paid out will not exceed the aggregate principal amount of the Prior Lien Obligations refunded.

(iv) If the authentication and delivery of Bonds, or the payment of deposited moneys, is requested pursuant to Clauses I or II of Section 3 of this Article Two in respect of expenditures relating to lines of railroad or other property subject to any Prior Lien securing Prior Lien Obligations, such certificate shall also state (a) the sum of the actual amount of such expenditures and the principal amount of such Prior Lien Obligations, determined as provided in subparagraph (d) of Section 4 of this Article Two, (b) the principal amount of such Prior Lien Obligations required to be taken into account in determining such sum, (c) the principal amount of Bonds theretofore authenticated and delivered and the amount of deposited moneys theretofore paid out in respect of such expenditures, and (d) that the principal amount of Bonds to be authenticated and delivered or the amount of deposited moneys to be paid out is not in excess of the amount permitted by the provisions of subparagraph (d) of Section 4 of this Article Two, or such certificate shall state that subparagraph (d) of Section 4 of this Article Two is not applicable by reason of the proviso thereto.

(v) If the authentication and delivery of Bonds, or the payment of deposited moneys, is requested in respect of any property or extensions, additions, replacements, renewals, improvements, and betterments to or of property, an undivided interest in which is subject to this Indenture or owned by MRPI or by a Controlled Company, such certificate shall also state that the principal amount of the Bonds to be authenticated and delivered and deposited moneys paid out will not exceed 75% of that percentage of the total actual cost of such property or extensions, additions, replacements, renewals, improvements, or betterments which shall be equal to the extent of the undivided interest in such property so subject to this Indenture or owned by MRPI or by a Controlled Company.

(c) If any expenditures are shown by the certificate provided for in paragraph (b) of this subsection B of this Section 5 to have been made for the acquisition of property which within 6 months prior to the date of such acquisition has been used or operated by others than the Company or MRPI or a Controlled Company in a business similar to that in which it has been or is to be used by the Company or MRPI or a Controlled Company, and such certificate does not show the fair value thereof to the Company or MRPI or a Controlled Company to be less than \$25,000 or such larger amount as may at the time be specified in Section 314(d) of the Trust Indenture Act of 1939 or any successor thereto, or less than 1% of the aggregate principal amount of the Bonds at the time outstanding under this Indenture, a further certificate, signed by an independent engineer, appraiser or other expert, whose selection by the Company shall have been approved by the Trustee in the exercise of reasonable care, stating, as to such property which has been so used or operated, that the then aggregate fair value thereof to the Company or MRPI or such Controlled Company, in the opinion of the signer, is not less than a specified amount, and stating, in the case of the authentication and delivery of Bonds (but not the withdrawal of deposited cash or the application of Clause (a) of Section 11 of Article Nine), the fair value to the Company or MRPI or such Controlled Company, in the opinion of the signer, of any property so used or operated which has been utilized since the commencement of the then current calendar year as the basis for the authentication and delivery of Bonds or the withdrawal of cash and as to which an independent engineer's, appraiser's or other expert's certificate has not previously been furnished to the Trustee.

(d) All such deeds, conveyances, or instruments of further assurance as shall be stated by the opinion of counsel referred to in the succeeding paragraph (e) to be sufficient for the purpose of subjecting to the lien and operation of this Indenture any new property constructed or acquired by the Company in respect of the acquisition or construction of which the Company is requesting the authentication and delivery of Bonds or the payment of deposited moneys.

(e) An opinion of counsel that the purposes for which said Bonds are to be authenticated and delivered, or deposited moneys paid out, are purposes for which said Bonds may lawfully and in accordance with the provisions of this Indenture be issued or such deposited moneys paid out; and that the deeds, conveyances, or instruments of further assurance described therein are valid and sufficient for the purpose of subjecting to the lien and operation of this Indenture any property so constructed or acquired by the Company, or that no such deeds, conveyances, or instruments of further assurance are necessary.

Such opinion of counsel shall also state, as the case may be:

(1) In case of expenditures made for one or more of the purposes set forth in Clause I of Section 3 of this Article Two, that the Company or MRPI or a Controlled Company has good title to such lines of railroad, branches, extensions, terminals, docks, warehouses, elevators, union depots, stations and other terminal facilities acquired,

or to the undivided interests therein which are acquired, as the case may be; or

(2) In case of expenditures made for one or more of the purposes set forth in Clause II of Section 3 of this Article Two, that the Company or MRPI or a Controlled Company has good title to the property or extensions, additions, replacements, renewals, improvements, or betterments made, constructed or purchased, and that such property or extensions, additions, replacements, renewals, improvements, or betterments, are to or of a line of railroad or property which, or an undivided interest in which, is then subject to this Indenture, or owned by MRPI or by such Controlled Company; or

(3) In the case of expenditures made for one or more of the purposes set forth in Clause III of Section 3 of this Article Two, that the Prior Lien Obligations refunded are Prior Lien Obligations of the character specified in said Clause III; or

(4) If the authentication and delivery of Bonds, or the payment of deposited moneys, is requested pursuant to Clauses I or II of Section 3 of this Article Two, in respect of the acquisition by the Company or by MRPI or by a Controlled Company of any lines of railroad or other property, such opinion shall also state that such property so acquired is subject to this Indenture as a direct lien or is owned by MRPI or by such Controlled Company and is free from any Prior Liens except Prior Liens specified in the certificate furnished under the foregoing paragraph (b) of this subsection B, and, in the case of acquisition by the Company, or by MRPI after subsection of the property of MRPI to the lien of this Indenture, that this Indenture, and any instrument supplemental thereto specified in such opinion, are duly recorded and filed and constitute, or when duly recorded and filed as specified in such opinion will constitute, a lien on such property, subject only to such Prior Liens therein specified as above provided in this paragraph (4) and Excepted Encumbrances; or

(5) If the authentication and delivery of Bonds, or the payment of deposited moneys, is requested pursuant to Clauses I, II or III of Section 3 of this Article Two, in respect of expenditures by or for account of a Controlled Company or in respect of the refunding of Prior Lien Obligations of a Controlled Company, such opinion shall also state either (i) that the Prior Lien Obligations of such Controlled Company pledged with or assigned to the Trustee, are valid obligations of such Controlled Company and are the Prior Lien Obligations having the best available lien then deliverable to the Company in respect of such expenditures under any Prior Lien Indenture upon the property of such Controlled Company, and that such Prior Lien Indenture has been; or is being with all convenient speed, duly recorded and constitutes, or upon issue of such Prior Lien Obligations will constitute, a valid lien upon the property of such Controlled Company, including the property acquired or constructed by such expenditures, or if, and to the extent as specified in such opinion that, Prior Lien Obligations are not issuable under any such Prior Lien Indenture in respect of such expenditures, that the unsecured obligations of such Controlled Company issued by it to the Company in respect of such expenditures and pledged with or assigned to the

Trustee if required in paragraph (e) (ii) of Section 4 of this Article Two, are valid obligations of such Controlled Company or (ii) that the provisions of paragraph (e) (i) of Section 4 of this Article Two are applicable; or

(6) If the authentication and delivery of Bonds, or the payment of deposited moneys, is requested pursuant to Clause III of Section 3 of this Article Two in respect of the refunding of Prior Lien Obligations of a Controlled Company, or pursuant to Clauses I or II of Section 3 of this Article Two in respect of expenditures by or for the account of a Controlled Company, such opinion shall also state that any Prior Lien Obligations so refunded, or, if applicable, any Prior Lien Obligations or unsecured obligations issued by such Controlled Company to be pledged with or assigned to the Trustee, as the case may be, were validly issued, and that, except as therein specified, no authorization of the issue thereof at the time was required by law to be given by any commerce, public service or public utilities commission, railroad commission, or other governmental authority having jurisdiction in the premises, and, if such opinion shall specify any governmental authority whose authorization for the issue of such Prior Lien Obligations or unsecured obligations is required, it shall be accompanied by a copy (authenticated in such manner as may be satisfactory to the Trustee) of each order or certificate authorizing the issue of such Prior Lien Obligations or unsecured obligations made or given by the governmental authority specified in such opinion, and such opinion shall also state that such order or orders, certificate or certificates, are sufficient authorization for the issue of such Prior Lien Obligations or unsecured obligations.

In lieu of stating that the Company or MRPI or a Controlled Company has good title to any property acquired or constructed by the Company or MRPI or by such Controlled Company, such opinion may state that it is not practicable for the Company or MRPI or such Controlled Company to acquire a good fee simple title to such property, and in such case, such opinion shall state the nature of the interest acquired by the Company or MRPI or such Controlled Company in such property, and that such interest so acquired is sufficient for the purposes of the business of the Company or of MRPI or of such Controlled Company.

(f) If the authentication and delivery of Bonds, or the payment of deposited moneys, is requested pursuant to Clause III of Section 3 of this Article Two on the basis of the refunding of Prior Lien Obligations, there shall be delivered to the Trustee a duly executed satisfaction and discharge of any Prior Lien Indenture securing the Prior Lien Obligations in respect of which Bonds are to be authenticated and delivered or deposited moneys paid, or such Prior Lien Obligations, whether cancelled or uncanceled, shall be deposited and, if uncanceled, pledged or assigned hereunder with the Trustee. If such Prior Lien Obligations are delivered to the Trustee cancelled, the Company covenants that, and shall also deliver to the Trustee a certificate certifying that, such Prior Lien Obligations have not been or will not thereafter be refunded under the Prior Lien Indenture securing the same. No Bonds shall be authenticated or delivered or

deposited moneys paid out pursuant to Clause III of Section 3 of this Article Two in respect of any such Prior Lien Obligations in respect of which other such Prior Lien Obligations shall have been issued in exchange therefor or on transfer thereof or otherwise.

(g) If the authentication and delivery of Bonds is requested pursuant to this Subsection B, there shall also be delivered to the Trustee the certificates and opinion required by paragraphs (b) and (c) of subsection A of this Section 5 and, if the payment of deposited moneys is requested pursuant to this subsection B, there shall also be delivered to the Trustee the certificate required by said paragraph (c).

C. Upon the delivery to the Trustee in accordance with the requirements of this Section 5 of all the certificates, opinions and other instruments required to be delivered for the purpose of authorizing the authentication and delivery of Bonds, or the payment of deposited moneys, on the basis of amounts specified in Section 3 of this Article Two, and of all such further assurances and conveyances, if any, as shall be required by it as aforesaid, and upon the pledge or assignment of all Prior Lien Obligations or unsecured obligations, if any, required to be pledged or assigned for such purpose, the Trustee shall authenticate, and thereupon deliver to the Company, or upon its order, Bonds to the principal amount to which the Company shall be entitled under the provisions of Section 4 of this Article Two in respect of the amounts certified to be the basis therefor as aforesaid, or, at the election of the Company, shall pay to the Company, or upon its order, an amount of deposited moneys equal to such principal amount of Bonds.

D. Anything herein contained to the contrary notwithstanding, if the Company shall have contracted to deliver Bonds, in lieu of making payment in cash, for any of the purposes specified in Section 3 of this Article Two, the Trustee, upon compliance by the Company with the provisions of the foregoing Subsections B and C of this Section 5 (except that the resolutions, certificates and opinions to be delivered to the Trustee as therein provided, in lieu of stating any amount of expenditures made, may state the amount of Bonds which the Company has contracted to deliver) shall authenticate and deliver, to or on the order of the Company, Bonds to a principal amount not exceeding:

(a) in the case of a refunding pursuant to Clause III of said Section 3, the principal amount of Bonds which might have been authenticated and delivered in respect thereof under the provisions of Section 4 of this Article Two, or in the case of an acquisition or construction of property pursuant to Clauses I or II of said Section 3 the principal amount of Bonds which might have been authenticated and delivered in respect of the acquisition or construction of such property under the provisions of Section 4 of this Article Two if the Company had paid therefor, in cash, an amount equal to the excess of the fair value of such property over the amount of any Prior Liens, as stated in the certificate delivered to the Trustee as aforesaid; or

(b) the principal amount of Bonds which the Company shall have

contracted to deliver in respect thereof;
whichever shall be less.

If the Company shall acquire property in consideration of the payment of cash and the delivery of Bonds, the authentication and delivery of Bonds pursuant to this Subsection D in respect of such property shall not prevent the authentication and delivery of Bonds pursuant to the foregoing Subsections B and C to reimburse expenditures in cash for such acquisition, but the total amount of Bonds authenticated and delivered in respect of any such acquisition shall not exceed the principal amount of Bonds which might have been authenticated and delivered in respect of such acquisition, under the provisions of Section 4 of this Article Two, if the Company had paid for the property so acquired, in cash, an amount equal to the excess of the fair value of such property over the amount of any Prior Liens thereon as stated in said certificate.

E. The Trustee shall not be concerned with or be accountable to anyone for the use or application by the Company of any of the Bonds authenticated and delivered by the Trustee to the Company, or upon its order, or of any of the deposited moneys paid by it to the Company, or upon its order, pursuant to any of the provisions of this Article Two.

Section 6. Subject to the provisions of Section 8 of this Article Two, at any time and from time to time the Company, on and after the surrender to the Trustee of any or all of the Bonds of any series previously authenticated hereunder (including, without limitation, any such Bonds held in treasury by the Company or any of its affiliates, whether acquired on original issuance or otherwise, and further including, without limitation, any Bonds of Series A issued pursuant to Section 1 of this Article Two as in effect at the time of such issuance), may execute and deliver to the Trustee, and thereupon, in accordance with the written request of the Company, the Trustee shall authenticate, and on the written order of the Company deliver in exchange for the Bonds so surrendered, a like aggregate principal amount of Bonds, of any series then existing or then constituted. The Trustee shall cancel (if not theretofore cancelled) the Bonds so surrendered and destroy (if not theretofore destroyed) the same, and deliver a certificate of destruction to the Company.

Section 7. Subject to the provisions of Section 8 of this Article Two, whenever the Company desires to refund, in whole or in part, any series of Bonds at the time outstanding (including, without limitation, any such Bonds held in treasury by the Company or any of its affiliates, whether acquired on original issuance or otherwise, and further including, without limitation, any Bonds of Series A issued pursuant to Section 1 of this Article Two as in effect at the time of such issuance), the Company may execute and deliver to the Trustee and thereupon, in accordance with the written request of the Company, the Trustee shall authenticate and, on the Company's written order, deliver Bonds for a principal amount not exceeding the principal amount of the Bonds to be refunded, upon the surrender to the Trustee of such Bonds or the deposit with the Trustee of (i) an amount in money equal to the principal amount, or the redemption price (exclusive of accrued interest), as the case may be, of the Bonds not so surrendered, and

making provision satisfactory to the Trustee for the payment of interest on such Bonds, or (ii) money or U.S. Government Obligations, and an opinion of counsel, sufficient under Section 2 (without regard to the first proviso thereto) and Section 4 of Article Eleven to entitle the Company to terminate its obligations (other than as specified in Section 3 of Article Eleven) with respect to the Bonds not so surrendered, and making provision satisfactory to the Trustee for the giving of notice of redemption in case of Bonds to be redeemed. The Bonds so authenticated and delivered may, as requested by the Company, be of any series then existing or then constituted. Upon delivery after any such deposit from time to time to the Trustee, for cancellation of the Trustee's authentication thereon, of any of the Bonds with respect to which such deposit has been made, the Trustee shall pay the Company (i) out of the moneys so deposited with the Trustee, an amount equal to the principal amount, or the redemption price (exclusive of accrued interest) as the case may be, of the Bonds so surrendered, or (ii) a percentage of the U.S. Government Obligations and moneys then on deposit equal to the percentage which the Bonds surrendered bears to the Bonds outstanding immediately prior thereto with respect to which such deposit has been made. Until so paid out, such deposit shall be held by the Trustee in trust for the benefit of the holders of the Bonds to be refunded. The Trustee shall cancel all Bonds so surrendered and destroy the same, and deliver a certificate of destruction to the Company.

Section 8. No Bonds shall be authenticated or delivered or deposited moneys paid under the provisions of Section 6 or Section 7 of this Article Two in respect of (i) Bonds which shall have been purchased, paid, or retired through the operation of a mandatory sinking fund created for that purpose, or by the application thereto of moneys required by the provisions of this Indenture (other than the provisions of this Article Two) to be applied to the purchase or redemption of Bonds or (ii) Bonds in respect of which other Bonds shall have been issued in exchange therefor or on transfer thereof or otherwise.

In case of the authentication and delivery of Bonds pursuant to the provisions of Section 6 or Section 7 of this Article Two, there shall be delivered to the Trustee in reference to said Bonds (a) a resolution or resolutions of the Board of Directors of the Company, (b) an opinion of counsel and (c) an officers' certificate, in the forms required by paragraphs (a), (b) and (c) of Subsection A of Section 5 of this Article Two, respectively.

Section 9. The Company shall have the right, by written request to the Trustee, to require that any moneys deposited with or held by the Trustee under any provision of this Indenture shall, unless and until this Indenture shall be cancelled in accordance with Section 2 of Article Eleven hereof, be invested as directed by the Company in the following securities: (a) U.S. Government Obligations, (b) bankers' acceptances which are eligible for purchase in the open market by Federal Reserve Banks, (c) open market commercial paper of any company incorporated and doing business under the laws of the United States or one of the states thereof given a rating of "A-1" or "A-2" or better by Standard & Poor's Corporation or "prime-1" or "prime-2" or better by Moody's Investors Service or an

equivalent rating by a successor thereto or a similar rating service substituted therefor and (d) certificates of deposit or time deposits in banks or trust companies (including the Trustee) incorporated and doing business under the laws of the United States or one of the states thereof having a combined capital and surplus of at least \$50,000,000, in all cases having a maturity of one year or less; such securities to be held by the Trustee hereunder as part of the trust estate, and, upon a like request in writing by the Company (or without request if the moneys are required by the Trustee for use under any provision of this Indenture) the Trustee shall sell all or any designated part of any such securities so purchased and held, the proceeds of sale thereof to be deposited with the Trustee, subject to the provisions of this Indenture affecting the moneys originally held by the Trustee and invested in such securities. In the event that the proceeds so deposited shall be less than the cost of the securities sold, the Company will promptly pay to the Trustee the amount of such deficiency, and, in the event that such proceeds shall be more than such cost, such excess shall be paid to the Company on its written request. Any interest received by the Trustee on any such securities shall, so long as no event of default shall have happened and be continuing, be paid from time to time to or upon the written order of the Company. The Trustee shall not have any responsibility, whether to the Company or the bondholders or otherwise, for any depreciation in the value of securities purchased as aforesaid.

Section 10. Whenever requesting the authentication and delivery of any Bonds hereunder, if they are to be of a series other than Series A, not theretofore created, the Company shall cause to be executed and delivered to the Trustee a supplemental indenture creating such new series accompanied by a copy of a resolution or resolutions of the Board of Directors of the Company, certified under its corporate seal by its Secretary or an Assistant Secretary, authorizing the execution and delivery of such supplemental indenture. The Company shall also cause to be delivered to the Trustee an opinion of counsel of the Company stating that the terms and provisions of the Bonds of the proposed series are authorized by this Indenture.

Section 11. Whenever the terms of any section of this Article Two require an order, demand, or request of the Company to be delivered to the Trustee for the purpose of obtaining the authentication and delivery of Bonds, or the payment of deposited moneys, or for any other purpose, such order, demand, or request shall be sufficient if signed on behalf of the Company under its corporate seal by the President or a Vice President or by some other officer of the Company appointed for the purpose by resolution of the Board of Directors of the Company, and also by its Secretary or an Assistant Secretary or by its Comptroller or Treasurer or a financial or accounting Vice President of the Company, and in case the authentication and delivery of Bonds is requested, it shall state the principal amount of Bonds to be delivered, the series, the denomination, the Section of this Article Two under which such Bonds are to be authenticated and delivered and the person or persons to whom, or the firm or corporation to which, such Bonds are to be delivered.

Section 12. Anything in this Indenture to the contrary notwithstanding, the Trustee may, but shall not be required to, authenticate and deliver Bonds or pay deposited moneys to or upon the order of the Company, or,

upon the order of a court of competent jurisdiction, to a receiver or trustee of the Company, if an event of default as defined in Section 1 of Article Six of this Indenture shall have happened and be continuing. Such receiver or trustee shall deliver to the Trustee, in lieu of the resolutions, certificates and opinion hereinbefore required to be delivered to the Trustee by the Company, appropriate orders of court, affidavits of such receiver or trustee, and an opinion of counsel to such receiver or trustee.

ARTICLE THREE.

Redemption of Bonds.

Section 1. The Bonds of Series A shall be redeemable as provided in Section 12 of Article One hereof.

In the creation of any other series of Bonds, the Company may reserve the right to redeem before maturity the Bonds of such series, as a whole or in part, or as a whole but not in part, at such time or times and on such terms as the Board of Directors of the Company may determine and as shall be specified in the Bonds of such series or in the supplemental indenture creating the Bonds of such series. The provisions of this Article Three shall, so far as applicable, apply to the redemption of Bonds of any series except to the extent that different redemption provisions may be prescribed for any series of Bonds in any such supplemental indenture.

Whenever less than all of the Bonds of any series are to be redeemed, the Trustee shall, subject to the provisions of Section 12 of Article One hereof, select, in such manner as it shall deem appropriate and fair, the particular Bonds or portions of Bonds of such series to be redeemed and shall notify the Company in writing of the principal amounts of the Bonds or portions thereof so selected. The Company shall give the Trustee, with respect to any series of Bonds which is to be redeemed, not less than 45 days written notice of the aggregate principal amount of Bonds to be redeemed. The Company shall not be required to (i) issue, register the transfer of or exchange any Bonds of a particular series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds of such series selected for redemption (whether at the option of the Company or through operation of any applicable sinking fund) and ending at the close of business on the day of such mailing or (ii) register the transfer of or exchange any Bond of such series or portion thereof so selected for redemption; and the Trustee shall not be required to authenticate and deliver any Bonds of such series during the period specified in (i) above or in lieu of Bonds of such series or portions thereof selected for redemption.

Notice of the redemption of Bonds shall be given by the Company by mailing notice thereof by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to such date to the registered holders of Bonds so to be redeemed at their respective addresses as they shall appear on the transfer register. The notice shall identify the series and, if less than all of the Bonds of such series are to be redeemed, the Bonds to be redeemed and further shall state the redemption price thereof, shall state that interest on such Bonds will cease to accrue on and after the

Art. Three, Sec. 1 and 2

Art. Four

date designated for redemption therein specified, and shall direct that the Bonds specified in the notice be surrendered for payment at any of the places at which the principal of the same is payable, which places shall be designated in the notice. In the case of Bonds which are to be redeemed in part only, the notice shall specify the portions of such Bonds to be redeemed and shall state that, upon surrender of such Bonds, new Bonds of the same series, of authorized denominations, in an aggregate principal amount equal to the unredeemed portion of such Bonds, will be issued.

Upon completion of the giving of notice as provided in this Section 1, the Bonds and portions thereof specified in such notice shall become due and payable as provided therein, and on and after the date designated for redemption interest shall cease to accrue on any Bond or portion of a Bond so called for redemption unless such Bond or portion of a Bond be not paid on surrender thereof as provided in the notice, in which event the same shall continue to bear interest as provided therein until provision shall be made for the payment thereof.

Upon presentation of any Bond which is to be redeemed in part only, the Company shall execute and the Trustee shall authenticate and deliver to the holder thereof, without charge to such holder, a new Bond or Bonds, of the same series and of authorized denominations, for the unredeemed portion of the Bond so presented.

All Bonds redeemed under the provisions of this Article Three shall be cancelled by the Trustee, and all such Bonds paid by the Company shall be delivered to the Trustee for that purpose.

Section 2. If the Company (i) shall comply with the requirements of Section 7 of Article Two for the refunding of any Bonds or portions of Bonds (regardless of whether or not the Company has yet requested the Trustee to authenticate additional Bonds on the basis thereof), or (ii) shall deposit in trust with the Trustee the applicable redemption price (including accrued interest to the date fixed for redemption) of the Bonds and portions of Bonds specified in a notice of redemption and shall furnish to the Trustee evidence satisfactory to the Trustee that such notice of redemption has been or will thereafter be given as herein provided, such Bonds and portions of Bonds shall not thereafter be deemed to be outstanding hereunder for any purpose, except for purposes of Section 3 of Article Eleven, except to entitle the holders thereof to convert the same in accordance with the conversion privilege, if any, carried by such Bonds (which conversion privilege shall in no event permit conversions later than the date, if any, fixed for redemption) and except to receive payment of installments of interest and principal thereon, or of such redemption price, as the case may be.

ARTICLE FOUR.

Particular Covenants of the Company.

The Company covenants with the Trustee as hereinafter in this Article set forth:

Section 1. The Company will duly and punctually pay the principal of and premium, if any, and interest on all of the Bonds, at the places, on the dates and in the manner mentioned in the Bonds, according to the true intent and meaning thereof. When and as paid, all Bonds shall be surrendered to the Trustee and shall be cancelled and destroyed and a certificate of destruction furnished the Company by the Trustee.

Section 2. At all times until the payment of the Bonds, the Company will maintain an office or agency of either the Trustee or the Company in the City of Chicago, State of Illinois or in the Borough of Manhattan, City and State of New York, where such of the Bonds as are payable there may be presented for payment and where such of the Bonds as are there registrable, transferable or exchangeable may be presented for registration or registration of transfer or exchange and where notices and demands in respect of any and all Bonds may be served and made. In case any Bonds are made payable, registrable, transferable or exchangeable in any other city, the Company will also maintain, so long as any of such Bonds are outstanding, an office or agency in such other city where such Bonds may be presented for payment or where such Bonds may be presented for registration or registration of transfer or exchange and where notices and demands may be served and made. The Company will give notice to the Trustee of the location of any such agency or agencies and of any change of location thereof, and in case the Company shall fail to maintain any such office or agency or shall fail to give such notice, presentation and demand may be made and notices may be served and made at the principal office of the Trustee. The Company will cause each paying agent (other than the Trustee) appointed pursuant hereto to execute and deliver to the Trustee an instrument, satisfactory in substance and form to the Trustee, in which such paying agent accepts such appointment and agrees (i) to perform the obligations imposed upon it as paying agent herein, including, without limitation, the obligations specified in Section 3 of this Article Four (relating to application of moneys held in trust for payment or redemption of Bonds), (ii) to notify the Trustee promptly of the receipt of sums to be held in trust by it pursuant hereto and of any default in the payment of the principal of or the premium, if any, or interest on the Bonds when and as the same shall become due and payable, and (iii) forthwith pay to the Trustee all sums so held in trust by it at any time during the continuance of any default.

Section 3. (a) Whenever the Company shall have appointed one or more paying agents, it will, on or prior to each due date of the principal of, premium, if any, or interest on, any Bonds, deposit with a paying agent a sum sufficient to pay the principal of or premium, if any, or interest on such Bonds so becoming due, and (unless such paying agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act. All moneys deposited with or paid to or set apart in trust by the Trustee or any paying agent for the payment of the principal of or premium, if any, or interest on the Bonds shall be held by the Trustee or such paying agent in trust for the account of the respective holders of such Bonds and shall be paid, when due, to the respective holders of such Bonds upon (in the case of payments of principal and premium, if any) presentation and surrender of such Bonds.

(b) If the Company shall act as its own paying agent, it will, on or

before each due date of the principal of or the premium, if any, or interest on any of the Bonds, set aside, segregate and hold in trust for the benefit of the holders of such Bonds, a sum sufficient to pay such principal and premium or interest so becoming due, and will notify the Trustee of such action or of any failure to take such action.

(c) Anything contained herein to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture, or for any other reason, pay or cause to be paid to the Trustee all or any part of any moneys held in trust by the Company or any paying agent pursuant hereto, such moneys to be held by the Trustee upon the same trusts as they were held by the Company or such paying agent.

(d) All moneys held in trust by the Trustee, any paying agent or the Company pursuant hereto for the payment of particular Bonds shall not constitute part of the trust estate, but shall constitute a separate trust fund for the benefit of the holders of such Bonds.

Section 4. (a) The Company will file with the Trustee within 15 days after the Company is required to file the same with the Securities and Exchange Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Securities and Exchange Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with said Commission pursuant to Section 13 or Section 15 (d) of the Securities Exchange Act of 1934; or, if the Company is not required to file information, documents or reports pursuant to either of such sections, then it will file with the Trustee and said Commission, in accordance with any rules and regulations that may be prescribed from time to time by said Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations.

(b) The Company will file with the Trustee and with the Securities and Exchange Commission in accordance with the rules and regulations prescribed from time to time by said Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants provided for in this Indenture as may be required by such rules and regulations.

(c) The Company will transmit to the bondholders, in the manner and to the extent provided in paragraph (c) of Section 15 of Article Ten hereof, such summaries of any information, documents and reports required to be filed with the Trustee pursuant to the provisions of paragraphs (a) and (b) of this Section 4 as may be required by the rules and regulations prescribed from time to time by the Securities and Exchange Commission.

(d) The Company will furnish or cause to be furnished to the Trustee (i) not more than fifteen days after each record date for an interest payment date, and (ii) at such other times as the Trustee may request in

writing, within 30 days after the receipt by the Company of such request, a list in such form as the Trustee may reasonably require containing all information in the possession or control of the Company or any of its paying agents, other than the Trustee, as to the names and addresses of the holders of the Bonds; provided, however, that no such list need be furnished so long as the Trustee shall be the Bond registrar. Any such list shall be dated as of a date not more than fifteen days prior to the time such information is furnished or caused to be furnished, and need not include information received after such date.

Section 5. All railroads, franchises, and other property of every kind, by this Indenture covenanted to be conveyed or pledged or assigned to the Trustee under this Indenture, or in respect of the construction or acquisition whereof Bonds shall be authenticated and delivered or deposited moneys paid out hereunder, and any property at any time acquired by the Company and provided by this Indenture to become subject hereto, shall, immediately upon (and, in the case of property acquired initially by a Controlled Company, subject to) the acquisition thereof by the Company and without any further conveyance or assignment, become and be subject to the lien of this Indenture as fully and completely as though now owned by the Company and specifically described in the Granting Clauses hereof; but whenever required by the Trustee, the Company will grant, convey, confirm, assign, transfer and set over unto the Trustee the estate, right, title and interest of the Company in and to all real and personal property, estates, rights and franchises which the Company may hereafter acquire and which by the Granting Clauses or other provisions of this Indenture are subjected to the lien of this Indenture or intended so to be, and will, subject to the requirements of any Prior Lien Indenture on the property of the Company, deliver to the Trustee all securities included in such property; and, also, the Company will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, conveyances, transfers and assurances, for the better assuring, conveying, assigning and confirming unto the Trustee all and singular the hereditaments and premises, estates and property hereby conveyed or assigned, or intended so to be, or which the Company may be, or hereafter become, bound to convey or assign to the Trustee, as the Trustee shall reasonably require.

The Company, with all convenient speed, at its expense will duly record, register, file, re-record, re-register and re-file this Indenture and all supplemental indentures or other instruments supplemental hereto which hereafter may be executed as may be required by law in order to make effective and maintain and protect the lien intended to be created by this Indenture on the property covered hereby or by such supplemental indenture or other instrument. The Company will furnish to the Trustee

(a) promptly after the execution and delivery of this Indenture and each indenture supplemental hereto,

(b) upon the authentication and delivery of Bonds (other than the Series A Bonds) hereunder, and

(c) on or before January 15 in each year, beginning with the year 1985,

an opinion of counsel

(i) stating that, in the opinion of such counsel, as of the date of such opinion of counsel, no recording, registering or filing or rerecording, re-registering, or re-filing of this Indenture or any indenture supplemental hereto, any financing statement or any other document (in addition to the recording, registering or filing specified in any other opinion of counsel previously delivered to the Trustee to have been effected) and no payment of any mortgage registration, recording, filing or other tax or fee, is then necessary (or under existing law will be necessary) in order to create, perfect, preserve, maintain and protect the lien of this Indenture or any indenture supplemental hereto on the trust estate (including, without limiting the generality of the foregoing, property acquired after the date of execution of this Indenture), the security of the Bondholders and the rights of the Trustee under this Indenture as to the trust estate, or

(ii) if any such action is then necessary (or under existing law will be necessary) for such purposes, (x) stating that all such action as is then necessary has been duly and effectively taken and specifying any such action which has not been specified in any other opinion of counsel previously delivered to the Trustee, and/or (y) specifying all such action as under existing law will be necessary which has not been specified in any such other opinion of counsel.

In all cases in which, pursuant to the requirements of any Prior Lien Indenture, cash, securities, obligations or rights which would otherwise be required to be deposited with the Trustee are deposited with the trustee or mortgagee under such Prior Lien Indenture the Company will forthwith, upon the discharge and cancellation of such Prior Lien Indenture (subject to the obligation of the Company, if any, to cause the same to be deposited under any other such Prior Lien Indenture), cause to be deposited with the Trustee any and all of such cash, securities, obligations or rights remaining at the time of such discharge and cancellation with the trustee or mortgagee of such Prior Lien Indenture so discharged and cancelled. The Company hereby authorizes and directs the trustee or mortgagee under each such Prior Lien Indenture, upon such discharge and cancellation thereof, to deposit with the Trustee all such cash, securities, obligations or rights so remaining. The Company covenants to deliver an executed or certified copy of this Indenture to the trustee under such Prior Lien Indenture promptly after property subject to such Prior Lien Indenture becomes subject to the lien of this Indenture, and thereupon to furnish the Trustee with evidence of such delivery.

Section 6. Except as otherwise by this Indenture expressly authorized, the Company will not create, or suffer to be created, any debt, lien or charge having priority or preference over or equality with the lien of this Indenture upon the trust estate, or any part thereof, or upon the income thereof, except (a) Prior Liens on any property hereafter acquired by the Company or (after subjection of MRPI's properties to the lien of this Indenture) by MRPI which may exist on the date of such acquisition, or theretofore existing Prior Liens which by their terms extend to property

hereafter acquired by the Company or (after such subjection) by MRPI upon the acquisition thereof, (b) vendor's liens or purchase money mortgages on property hereafter acquired by the Company or (after such subjection) by MRPI created concurrently with the acquisition of such property and not covering any other property then or (other than extensions, additions, replacements, renewals, improvements or betterments thereto or thereof) thereafter owned by the Company or MRPI and subject to the lien of this Indenture, (c) liens on property subject to any Prior Lien referred to in clause (a) of this Section 6, vendor's liens or purchase money mortgages (and on no other property then owned by the Company or MRPI and subject to the lien of this Indenture) created to renew, extend or refund obligations secured by the Prior Lien, vendor's lien or purchase money mortgage to which such property was theretofore subject, (d) Excepted Encumbrances and (e) in the case of any conveyance, mortgage, pledge, delivery, assignment or transfer pursuant to the provisions of Granting Clause Ninth of this Indenture which is not required to be made under any provisions of this Indenture, any Prior Liens, present or future, which shall be specified or set forth in the supplemental indenture to this Indenture providing therefor, and except that Prior Lien Obligations may be issued for immediate pledge hereunder or for immediate pledge under a Prior Lien Indenture; and, within six months after the same shall accrue, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge all lawful claims and demands of mechanics, laborers, and others which, if unpaid, might by law be entitled to precedence over this Indenture as a lien or charge upon the trust estate or some part thereof, or the income thereof; provided that the Company shall not be required to pay any such debt, lien, or charge so long as, in good faith, the validity thereof or the amount thereof shall be contested by appropriate legal proceedings, unless thereby the security afforded by this Indenture will be materially impaired or endangered.

The Company or MRPI will not issue or permit to be issued, other than to its treasury or to refinance a Prior Lien Obligation pursuant to Section 10 of this Article Four, additional Prior Lien Obligations under any Present Company Indenture. Subject to the next preceding sentence, nothing in this Indenture shall be deemed to prohibit the issue of other additional Prior Lien Obligations under any Prior Lien Indenture to which the Company or MRPI is a party up to the maximum amount authorized thereby at the time the property subject thereto shall become subject to this Indenture, except as otherwise specifically prohibited by the express terms of this Indenture or any supplemental indenture to this Indenture.

Nothing in this Indenture shall be deemed to prohibit the Company or MRPI from creating any new mortgage or deed of trust upon the property subject to the lien of this Indenture or any part thereof, if such mortgage or deed of trust shall be, and shall be expressed to be, subject to the prior lien of this Indenture for the security of all Bonds then issued or thereafter to be issued under this Indenture within any limitation of amount then fixed or thereafter to be fixed as in this Indenture provided.

Section 7. Except as otherwise by this Indenture expressly authorized, the Company will not permit the creation of any debt, lien or charge upon the railroad property (other than Excepted Property) of MRPI or any Controlled Company, or any part thereof, or upon the income thereof, except

(a) Prior Liens on any property hereafter acquired by MRPI or by such Controlled Company which may exist on the date of such acquisition, or theretofore existing Prior Liens which by their terms extend to property hereafter acquired by MRPI or such Controlled Company upon the acquisition thereof, (b) vendor's liens or purchase money mortgages on property hereafter acquired by MRPI or such Controlled Company created concurrently with the acquisition of such property and not covering any other property then or (other than extensions, additions, replacements, renewals, improvements or betterments thereto or thereof) thereafter owned by MRPI or such Controlled Company, (c) liens on property subject to any Prior Lien referred to in clause (a) of this Section 7, vendor's liens or purchase money mortgages (and on no other property then owned by MRPI or such Controlled Company) created to renew, extend or refund obligations secured by the Prior Lien, vendor's lien or purchase money mortgage to which such such property was theretofore subject, (d) Excepted Encumbrances and (e) in the case of any company becoming a Controlled Company after the date hereof any Prior Liens existing on the property of such Controlled Company at the date such company became a Controlled Company or created in connection therewith, and except that Prior Lien Obligations may be issued for immediate pledge hereunder or for immediate pledge under a Prior Lien Indenture; and, within six months after the same shall accrue, the Company will cause to be paid, discharged, or will cause adequate provision to be made to satisfy and discharge, all lawful claims and demands of mechanics, laborers, and others which, if unpaid, might by law be entitled to a lien or charge upon the railroad property (other than Excepted Property) of MRPI or such Controlled Company or some part thereof, or the income thereof; provided that the Company shall not be required to cause to be paid any such debt, lien, or charge so long as, in good faith, the validity thereof or the amount thereof shall be contested by appropriate legal proceedings, unless thereby the security afforded by this Indenture will be materially impaired or endangered.

The Company will not permit MRPI to issue, other than to its treasury, additional Prior Lien Obligations. Except with respect to MRPI if it becomes a Controlled Company, nothing in this Indenture shall be deemed to prohibit the issue of additional Prior Lien Obligations under any Prior Lien Indenture to which a Controlled Company is a party up to the maximum amount authorized thereby at the time such company shall become a Controlled Company, except as otherwise specifically prohibited by the express terms of this Indenture or any supplemental indenture to this Indenture.

Section 8. The Company from time to time will pay and discharge, or cause to be paid and discharged, all taxes, assessments, and governmental charges (the lien whereof would be prior to the lien hereof) lawfully imposed upon the trust estate or upon any part thereof or upon the income and profits thereof, and also all taxes, assessments, and governmental charges lawfully imposed upon the lien or interest of the Trustee in respect of the trust estate or the income thereof, so that the lien and priority of this Indenture shall be fully preserved at the cost of the Company, without expense to the Trustee or the bondholders; provided, however, that the Company shall not be required to pay any such taxes, assessments, or governmental charges so long as, in good faith, the validity thereof or

the amount thereof shall be contested by appropriate legal proceedings, unless thereby the security afforded by this Indenture will be materially impaired or endangered; and provided further, that the Company shall not be required to pay any such taxes, assessments or governmental charges on property it has abandoned if the property abandoned is no longer necessary for the maintenance or operation of the lines of railroad subject to the lien of this Indenture.

Section 9. The Company from time to time will cause to be paid and discharged all taxes, assessments, and governmental charges lawfully imposed upon the railroad property (other than Excepted Property) of MRPI or any Controlled Company or upon any part thereof or upon the income thereof; provided, however, that the Company shall not be required to cause to be paid any such taxes, assessments, or governmental charges so long as, in good faith, the validity thereof or the amount thereof shall be contested by appropriate legal proceedings, unless thereby the security afforded by this Indenture will be materially impaired or endangered; and provided further, that the Company shall not be required to cause to be paid any such taxes, assessments or governmental charges on property abandoned by MRPI or such Controlled Company if the property abandoned is no longer necessary for the maintenance or operation of the lines of railroad owned by MRPI or such Controlled Company.

Section 10. Exclusively for the benefit of the holders of the Bonds, the Company will pay, or cause to be paid, the interest on all outstanding Prior Lien Obligations, not part of the trust estate, as and when such interest shall become payable, and, when due, it will pay the principal of and premium, if any, on all such Prior Lien Obligations which, at that time, are not part of the trust estate, or cause the same to be taken up and pledged or assigned under this Indenture and deposited with the Trustee hereunder, or, if required by the terms of any Prior Lien Indenture, with the trustee or mortgagee thereunder, provided that the Company shall not be required to make any such payment so long as, in good faith, the validity thereof or the amount thereof shall be contested by appropriate legal proceedings, unless thereby the security afforded by this Indenture will be materially impaired or endangered; and the Company will not make or suffer any default upon any such Prior Lien Obligations or under such Prior Lien Indenture securing them, wherefrom the right might arise to enforce by foreclosure or otherwise the lien therein provided.

The Company expressly reserves the right to extend the time of payment of, or refinance by a new Prior Lien Obligation, the principal of or premium, if any, or interest on any Prior Lien Obligation, whether at the same or a lower or higher rate of interest; **provided, however,** that no such extension or refinancing of a Prior Lien Obligation secured by a Present Company Indenture shall be to a date later than the latest date for the final maturity for any Prior Lien Obligations presently outstanding thereunder.

Section 11. Subject to the provisions of Article Nine hereof, to the extent needful or proper for the efficient and economical operation of its properties, the Company shall and will diligently preserve all the rights and franchises to it granted and upon it conferred and shall and will, at

all times, maintain, preserve and keep the railroads and other properties subject to this Indenture and every part and parcel thereof, in good repair, working order and condition, and will, at all times, keep or cause to be kept the railroad, premises and estate subject to this Indenture supplied with all necessary motive power, rolling stock and equipment, and will, from time to time, thereto make all needful and proper repairs, renewals, replacements, additions, betterments and improvements. Except as provided in Article Twelve hereof, the Company will, at all times, preserve, extend and renew its corporate existence for all the purposes of this Indenture.

Section 12. Except as in this Indenture otherwise provided, to the extent needful or proper for the efficient and economical operation of the properties thereof, the Company shall cause MRPI and each Controlled Company to diligently preserve all the rights and franchises to it granted and upon it conferred, and at all times to maintain, preserve and keep its railroad properties (other than Excepted Property) in good repair, working order and condition, and adequately equipped for operation and to thereto make all proper repairs, renewals, replacements, additions, betterments and improvements. Except as in this Indenture otherwise expressly provided, the Company will at all times take such action as from time to time may be necessary to preserve, extend and renew the corporate existence of MRPI and each Controlled Company.

Section 13. Except as in this Indenture otherwise provided, (a) the Company will not permit any increase of the capital stock of any Controlled Company or the issue of any additional shares of the capital stock of any Controlled Company, unless simultaneously therewith there shall be made effective provision that such additional stock (or such part of such additional stock as shall be proportionate to the part of such entire issued capital stock previously subject to this Indenture) forthwith upon the issue or creation thereof shall be and become subject to this Indenture and be pledged hereunder and delivered to the Trustee, or, if required by the terms of any Prior Lien Indenture, to the trustee or mortgagee thereunder, and all such additional stock shall be fully paid and nonassessable, and (b) the Company will not permit any Controlled Company to issue any securities if the result thereof would be that the corporation issuing such securities would cease to be a Controlled Company.

Any and all shares of the capital stock of any Controlled Company which the Company may hereafter acquire shall on the acquisition thereof by the Company forthwith be and become subject to this Indenture and be pledged hereunder and delivered to the Trustee, or, if required by the terms of any Prior Lien Indenture, to the trustee or mortgagee thereunder.

Section 14. Except as in this Indenture otherwise provided (including Section 16 of this Article Four), the Company will not sanction or permit MRPI or any Controlled Company to sell, or otherwise to dispose of, its railroad property (excluding Excepted Property) or any part thereof except to the Company or to MRPI or some other Controlled Company or pursuant to Article Nine.

Except as in this Indenture otherwise provided, the Company will not sanction or permit MRPI or any Controlled Company to lease its railroad

property (excluding Excepted Property), or any part thereof, except to the Company or to MRPI or some other Controlled Company, unless pursuant to Article Nine or unless such lease shall be upon the condition that it shall terminate at the election of the Trustee, by entry or otherwise in case of the happening of some one or more of the events of default specified in Section 1 of Article Six hereof, and in case of a sale of the property subject to this Indenture in enforcement of this Indenture, at the election of the purchaser.

Section 15. Any and all claims and indebtedness which the Company now has or hereafter may acquire against any Controlled Company with respect to which the Company failed to give the covenant provided for in subparagraph (e)(1) of Section 4 of Article Two shall, on the acquisition thereof by the Company (subject to the provisions in respect thereof in this Indenture contained), be and become subject to this Indenture, and, upon the happening of any of the events described in clauses A, B and C of Section 3 of Article Five of this Indenture, the Company, on the written request of the Trustee, will execute and deliver to the Trustee appropriate assignments thereof.

Section 16. The Company will cause the subjection to the lien of this Indenture as a first general mortgage lien thereon of all railroad property of MRPI (other than Excepted Property) promptly after the discharge of the mortgages identified as items (5) and (6) in the definition of "Present Company Indentures".

ARTICLE FIVE.

Control of Stocks and Bonds Pledged Hereunder.

Section 1. When and as any of the bonds or obligations or the certificates for any of the shares of stock which the Company, after the execution and delivery of this Indenture, shall have assigned or pledged, or shall have agreed to assign or pledge, under this Indenture to the Trustee shall come into the possession of the Company or under its control, the provisions of this Article Five shall apply to, and only to, the same, and the Company, subject to the obligation, if any, to deliver the same to the trustee or mortgagee under any Prior Lien Indenture, forthwith shall deliver the same to the Trustee, together with proper instruments of assignment and transfer thereof in blank.

Section 2. The Trustee is authorized, in its discretion, to cause to be registered in its name, as trustee, or in the name of a nominee of the Trustee, any and all coupon bonds which it shall receive as security under any of the provisions of this Indenture, or it may cause the same to be exchanged for registered bonds without coupons, of any denomination. The Trustee may cause to be transferred into its name, as trustee, or into the name of a nominee of the Trustee, all registered bonds which it shall receive as security on the trusts hereof. At any time the Trustee may transfer into its name, as trustee, all or any shares of stock, the certificates for which shall have been delivered to it; or in its discretion, the Trustee may hold such certificates in the name of the registered holder thereof at the time of such pledge, or in the name of the Company, or in

the name of a nominee of the Trustee; provided, that the same be endorsed in blank for transfer, or be accompanied by proper instruments of assignment in blank duly executed by such registered holder.

The Trustee may, but (except as hereinafter in this Section 2 specifically required) shall be under no obligation to, do whatever may be necessary for the purpose of maintaining, preserving, renewing, or extending the corporate existence of any company, stock of which shall be pledged or assigned hereunder, and for any such purpose, from time to time, may sell, assign, transfer, and deliver so many shares of the stock of the several companies as may be necessary to qualify persons to act as directors of, or in any other official relation to, any such company. Whenever the Company shall in writing so request, stating in such request that the Company has no shares for that purpose under its control other than shares held under this Indenture, the Trustee, provided that the Company shall not to the knowledge of the Trustee be in default hereunder, at the cost and expense of the Company, shall assign and transfer to persons designated by the Company, a sufficient number of the shares which then shall be held hereunder, to qualify such person to act as directors of, or in any official relation to, the several companies which issued such shares; provided, however, that in every case the Trustee may make such arrangements as it shall deem necessary for the protection of the trusts hereunder; and, provided further that under this provision no transfer of stock of any Controlled Company shall be made which would cause such Controlled Company to cease to be a Controlled Company.

Section 3. Unless and until

A. the Trustee shall, under the powers in this Indenture granted, have entered into possession of the trust estate or some substantial part thereof; or

B. there shall be a default in the payment of some installment of interest on some Bond at the time outstanding; or

C. some one of the events of default specified in Subdivisions (b), (c), (d), (e), (f), (g), (h) or (i) of Section 1 of Article Six hereof shall happen:

(a) the Trustee shall not (except with the assent of the Company or as otherwise authorized by this Indenture), whether at, before or after the maturity thereof, be entitled to enforce the collection of the principal of, premium, if any, or interest on any bonds or obligations or of any other claims or indebtedness subject to this Indenture, and shall not enforce any provisions of the mortgage, trust deeds or other instruments under which such bonds or other obligations were issued, or by which the same are secured;

(b) the Company shall be entitled to receive all cash paid out of net earnings or earned surplus as dividends on any shares of stock which shall be subject to this Indenture and as interest on any bonds or obligations or any other claims or indebtedness

which shall be subject to this Indenture, although the same may have been transferred into the name of the Trustee or its nominee, provided, that no payment of interest by the Company on any Prior Lien Obligations of any issue secured by a Prior Lien upon any of the railroads or other property constituting part of the trust estate shall be made or demanded and the coupons thereto appertaining as they mature shall be cancelled and destroyed by the Trustee and a certificate of destruction furnished the Company by the Trustee;

(c) from time to time (subject to the covenants in respect thereof in this Section 3 contained), upon the written request of the Company, the Trustee shall deliver to the Company any coupons for such interest (then matured or to mature within 30 days after such request) then in its possession (except coupons belonging to Prior Lien Obligations of any issue secured by a Prior Lien upon any of the railroads or other property of any character constituting part of the trust estate, which coupons shall be cancelled and destroyed as provided in the last preceding paragraph (b)) in order that the Company may receive payment thereof for its own use or may cause the same to be cancelled; and on like request the Trustee shall deliver to the Company suitable orders in favor of the Company, or its nominee, for the payment of such interest and of such dividends, and the Company may collect such coupons, interest and dividends (but not by any proceeding which the Trustee shall deem to be prejudicial to the trusts hereunder), and the Trustee shall upon demand pay over to the Company any such interest and dividends which may be collected or be received by the Trustee; and

(d) the Company for its own use, shall be entitled to demand and receive and (but not by any proceeding which the Trustee shall deem to be prejudicial to the trusts hereunder) to collect, and may release and discharge, the principal, premium, if any, and interest of any claims in its favor or indebtedness to it subjected to the lien of this Indenture under Section 15 of Article Four hereof, regardless of whether or not pledged or assigned to the Trustee or to the trustee or mortgagee under a Prior Lien Indenture, and upon the written request of the Company the Trustee shall execute any reassignments or releases which may be required for that purpose;

provided, however, and hereby it is declared and agreed that, except as in this Indenture otherwise expressly provided,

(1) the Company shall not be entitled to receive, and the Trustee shall not pay over to the Company, the principal of any bond or obligation, claim or indebtedness, subject to this Indenture, other than a claim or indebtedness subject to the lien of this Indenture under Section 15 of Article Four hereof which the Company shall be entitled under the provisions of the last preceding paragraph (d) to demand and receive or to collect;

(2) the Company shall not be entitled to receive, and the Trustee shall not pay over, (i) any interest on any of the bonds, obligations, claims or indebtedness subject to this Indenture which shall have been paid out of the proceeds of any sale, condemnation or expropriation of any property covered by a mortgage or lien securing such bonds or obligations, or (ii) any dividend on any of the shares of stock subject to this Indenture which shall have been paid out of the proceeds of a sale, condemnation or expropriation of the property of the corporation which issued said stock or as a result of the dissolution, liquidation, in whole or in part, or winding up of such corporation or as a stock dividend or as a dividend which in any way shall be chargeable to or be payable out of capital or appropriated or paid-in or capital surplus or upon the reduction of the capital stock of any such corporation or anything paid in retirement or redemption of any such stock;

(3) the Company shall not sell, assign or transfer any such coupon or right to interest or dividends, delivered or assigned to it, or any such claim or indebtedness;

(4) the Company shall not collect any such coupons or interest, or any such other claims or indebtedness, or any such dividends, by legal proceedings or by enforcement of any security therefor, except with the written assent of the Trustee, nor in any manner which the Trustee shall deem to be prejudicial to the trusts hereunder; and

(5) until actually paid, released or discharged, every such coupon or right to interest or dividends, and all such other claims and indebtedness, shall remain subject to this Indenture.

The Trustee shall be entitled to assume that any interest paid on any bond or other obligation, claim or indebtedness, or any dividend paid in money on any shares of stock, may properly be paid to or retained by the Company, until the Trustee shall be notified specifically in writing to the contrary; and, in the absence of such written notification, it shall be presumed, as between the Trustee and the bondholders, that the Trustee, in making any payment thereof to the Company, or in permitting the Company to retain any such payment, acted properly and in good faith. If any such coupon, or if any evidence of any such claim or indebtedness, delivered to the Company, shall not, as aforesaid, forthwith be paid or cancelled, the Company shall return the same to the Trustee, and in case of the payment of any such coupon, claim, or indebtedness shall, upon demand of the Trustee, furnish satisfactory evidence of the cancellation and extinguishment thereof.

In case the Company or the Trustee shall receive rights to subscribe to additional securities in respect of any of the securities subject to this Indenture, the Company may exercise or sell such rights in its discretion; provided, however, and subject to the provisions of any Prior Lien Indenture, (a) that all securities acquired by exercise of such rights shall forthwith be delivered to the Trustee and pledged hereunder, (b) that

all net proceeds from the sale of any such rights shall forthwith be paid to the Trustee, (c) that if the Company shall not have elected to exercise or sell such rights five days prior to the expiration thereof it shall give the Trustee notice thereof and the Trustee shall forthwith sell such rights in such manner as in its uncontrolled discretion it may deem advisable and (d) that if any of the events specified in Clauses A, B or C of Section 3 of this Article Five shall have happened the Trustee shall be entitled at any time in its discretion to sell such rights.

Section 4. All stock dividends upon shares of stock subject to this Indenture, unless required to be delivered to and received by the trustee or mortgagee under a Prior Lien Indenture, shall be received by the Trustee and held as part of the trust estate.

Any sum which shall be paid on account of the principal of any bonds or other obligations, claims or indebtedness subject to this Indenture, or which shall be paid out of capital or unearned surplus with respect to any bonds or other obligations, claims or indebtedness subject to this Indenture or shares of stock subject to this Indenture, unless required to be paid to and received by the trustee or mortgagee under some Prior Lien Indenture, or unless applied on account of the purchase price of the property covered by such Prior Lien Indenture, or owned by such company, if such property be purchased pursuant to Section 6 of this Article Five, shall be received by the Trustee, and, provided that the Company shall not to the knowledge of the Trustee be in default hereunder, shall, together with any other moneys received by the Trustee under any of the provisions of this Article Five, be applied, upon written request of the Company at any time in the same manner as provided in Section 11 of Article Nine in respect of moneys received by the Trustee pursuant to the provisions of Section 11 of Article Nine.

Section 5. Unless and until some one or more of the events specified in Clauses A, B or C of Section 3 of this Article Five shall have happened, the Company shall have the right to vote for all purposes, not contrary to its covenants herein contained or otherwise inconsistent with the provisions or purposes of this Indenture, and with the same force and effect as though such shares were not subject to this Indenture, upon all shares of stock subject to this Indenture, and, from time to time, upon demand in writing of the Company, signed by its President or one of its Vice Presidents, specifying the purpose or purposes for which such proxies are to be used, the Trustee forthwith shall make and deliver, or shall cause to be made and delivered to the Company, or to its nominees, suitable powers of attorney or proxies to vote upon any shares of stock, other than as aforesaid, which shall have been transferred to the Trustee or its nominees. Such powers of attorney and proxies shall specify as to the purpose or purposes for which the same may be used, the purpose or purposes expressed in such request. The Trustee shall be fully protected and shall incur no liability in executing and delivering or causing to be executed and delivered any such powers of attorney or proxies upon the receipt of an opinion of counsel that such purpose or purposes is or are within the purposes and powers authorized by this Indenture and not contrary to any of the covenants of the Company herein contained.

Subject only to the actual exercise by the Company of rights in respect thereof conferred by this Indenture, the Trustee shall have, and may exercise, all the rights of owner in respect of any bonds, obligations, or stock or certificates of interest therein, held by the Trustee under this Indenture or in any manner whatsoever on the trusts hereof.

Section 6. In case default shall be made

(a) in the payment of the principal of or premium, if any, or interest on, or in the due observance or performance of any covenant contained in, any of the bonds or obligations, which shall have been delivered to, and shall at the time be held by, the Trustee under this Indenture, or in the due observance and performance of the covenants contained in any mortgage or deed of trust or trust agreement, if any, securing the same; or

(b) in the payment of the principal of or premium, if any, or interest on, or in the due observance or performance of any covenant contained in, any bonds or obligations then secured by the same mortgage or deed of trust or trust agreement as may secure or purport to secure bonds or obligations then held by the Trustee,

then, and in any such case, the Trustee, without prejudice to the right of the Trustee to claim a default under this Indenture or to assert any right consequent upon such default, shall, on the written request of the Company, provided that the Company shall not to the knowledge of the Trustee be in default hereunder, and may, without such request, if an event of default hereunder shall have happened and be continuing, exercise any rights under, or cause proper proceedings to be instituted and prosecuted in some court of competent jurisdiction to foreclose, the mortgage or trust agreement, or trust or charge, by which such bonds or other obligations in default are secured, or otherwise enforce such rights.

In case

(c) at any time any company, shares of the capital stock of which shall be subject to this Indenture, shall be dissolved or liquidated; or

(d) all or any of the property of any such company shall be sold at any judicial or other sale; or

(e) any property, covered by a mortgage securing any bonds or obligations subject to this Indenture, or subject to any charge or trust for the payment of obligations subject to this Indenture, shall be sold upon foreclosure of such mortgage, or in enforcement of such charge or trust;

then, in any such event, if the property of such dissolved or liquidated company, or the property sold, can be acquired by crediting on the bonds, obligations, claims, indebtedness, or stock, held by the Trustee hereunder, any sum accruing or to be received thereon out of the proceeds of such property, and the Trustee is requested in writing by the Company, or by the

holders of a majority in principal amount of the Bonds at the time outstanding hereunder so to purchase or cause to be purchased such property and if the Trustee is provided with the amount of cash necessary therefor and indemnified to its satisfaction on account of its expenses in connection therewith, the Trustee shall, provided such purchase can be effected, purchase, or cause to be purchased, such property on behalf of the Trustee, and shall use such bonds, obligations, claims, indebtedness and stock, so far as may be, to make payment for such property. In case of any such purchase the Trustee shall take such steps as it may deem proper to cause such property to be vested, either in the Company, subject to the lien of this Indenture, or in some corporation organized or to be organized with power to acquire and manage such property, all of whose bonds and other indebtedness (except such, if any, as shall represent a lien existing on the property at the time it was acquired) and all of whose capital stock (excepting the number of shares required to qualify directors to the extent that such shares cannot be pledged or assigned hereunder without affecting the qualification of such directors) shall be received and held by the Trustee and shall be vested in the Company subject to the lien of this Indenture.

The Trustee, with the consent of the Company, at any time may vote upon any shares of stock that shall be held by the Trustee hereunder, and the Trustee may take such other action as in its discretion it shall deem advisable, to protect its interest and the interests of the holders of the Bonds in respect of any bonds, obligations, or stock subject to the lien hereof; and, with such consent of the Company, the Trustee may join in or vote upon any plan of reorganization or readjustment in respect of any such bonds, obligations or stocks and may accept new securities issued in exchange therefor under such plan. The Trustee, with the consent of the Company, may consent to, or join in, any action by the trustee or trustees of any Prior Lien Indenture under which bonds, obligations or stock assigned hereunder shall be pledged, which the Trustee by the terms of this Article Five would be authorized itself to take if such bonds, obligations, or stock were pledged with the Trustee hereunder. In case an event of default shall have happened and be continuing or in the opinion of the Trustee the security of this Indenture would be impaired or endangered without such action, the Trustee shall be entitled to take such steps without the consent of the Company.

The Company covenants that, on demand of the Trustee, it forthwith will pay, or will satisfactorily provide for, all expenditures incurred by the Trustee under any of the provisions of this Section 6, and in case the Company shall fail to so do, then, without impairment of, or prejudice to, any of its rights hereunder by reason of any default of the Company, the Trustee, in its discretion and without notice to the holders of the Bonds, may advance all such expenses and other moneys required or may procure such advances to be made by others (but shall be under no obligation to do so unless first furnished with the necessary funds), and for such advances made by the Trustee, or by others at its request, with interest thereon at American National Bank and Trust Company of Chicago's prime rate or base rate as announced from time to time, the Trustee shall have a lien under this Indenture preferentially to the Bonds upon the trust estate; but in no case shall the Trustee make or procure an advance which would be so secured if as a result the principal sum secured by such lien would exceed in the

aggregate a sum equal to 5% of the total principal amount of Bonds then outstanding unless an advance exceeding such sum is authorized by the holders of a majority in principal amount of the Bonds at the time outstanding.

In case the Trustee shall not purchase or cause to be purchased, the property sold at any such sale, and shall not join in a plan of reorganization as aforesaid in respect of such bonds or other obligations or stocks, then the Trustee shall receive any portion of the proceeds of the sale apportionable to the securities by it held hereunder, and, provided that the Company shall not to the knowledge of the Trustee be in default hereunder, such proceeds shall be applied at the request of the Company, in the same manner as is provided in Section 4 of this Article Five in respect of moneys received by the Trustee pursuant to the provisions of said Section 4 of this Article Five.

Section 7. Unless and until some one or more of the events specified in Clauses A, B or C of Section 3 of this Article Five shall have happened, nothing herein contained shall prevent

(1) the renewal or extension, on any terms, of any Prior Lien Obligation, secured by mortgage upon the property of any Controlled Company, or of any other bond or obligation pledged or assigned hereunder; or

(2) the issue, in place of and in substitution for any such bonds or obligations, of other bonds or obligations in an aggregate principal amount not in excess of the aggregate principal amount of such bonds or obligations, bearing any rate of interest, and secured by mortgage or lien which shall embrace substantially the same property as is embraced by the mortgage or other lien securing such bonds or obligations; or

(3) the creation by any Controlled Company of any mortgage or other lien on the properties of such Controlled Company or any part thereof to secure any bonds or obligations issued by such Controlled Company in accordance with any of the foregoing subdivisions in this Section 7.

Provided, however,

(a) that in case any bonds or obligations subject to this Indenture shall be so renewed or extended, such bonds or obligations so renewed or extended shall continue subject to this Indenture to the same extent, and shall be lodged and held in the same manner as theretofore; and

(b) that in case any bonds or obligations subject to this Indenture shall be exchanged for bonds or obligations substituted as aforesaid, the substituted bonds or obligations shall *ipso facto* and forthwith become subject to this Indenture to the same extent, and shall be lodged and held in the same manner as those for which they were substituted.

At any time the Trustee may, in its discretion, and if requested in writing by the Company, and furnished with an opinion of counsel that any such renewal, extension, substitution or issue, or the creation of any such mortgage or other lien, is in compliance with the provisions of this Section 7, shall, unless some one or more of the events specified in Clauses A, B or C of Section 3 of this Article Five shall have happened and be continuing, by an instrument in writing, executed by it, consent to any such renewal, extension, substitution, or issue, or to the creation of any such mortgage or other lien, and such consent shall be conclusive as against the Trustee and all holders of Bonds. The Trustee may receive said opinion of counsel as conclusive evidence that any such renewal, extension, substitution or issue, or the creation of any such mortgage or other lien, is in compliance with the provisions of this Section 7.

Section 8. Anything in this Indenture contained to the contrary notwithstanding but subject to the provisions of Section 16 of Article Four, MRPI or any Controlled Company may be consolidated with or merged into, or all of its railroad property (which may exclude Excepted Property) may be consolidated with or merged into, or all of such property may be sold as an entirety to, any other Controlled Company or MRPI, or with, or into, or to any other corporation, provided that upon the consummation of any such consolidation or merger, or sale, other than by or to MRPI, the company formed by such consolidation, or into which such merger shall be made, or to which such sale shall be made, shall become and be a Controlled Company.

On any consolidation, merger or sale, pursuant to this Section 8, the Trustee may, if requested so to do by resolution of the Board of Directors of the Company, cancel and surrender to or on the order of the Company, or consent to the cancellation and surrender of, any bonds or obligations at the time pledged or assigned hereunder, issued by, or secured by lien on the property of, any Controlled Company or Controlled Companies, parties to such consolidation, merger or sale, in exchange, unless said corporation be MRPI, for at least as great an aggregate principal amount of bonds or obligations of the corporation resulting from such consolidation or merger or to which such sale shall be made;

Provided, however,

(a) that the bonds or obligations so received in exchange shall be lodged and held in the same manner as those cancelled and surrendered and shall be secured by lien on substantially all of the railroad property (other than Excepted Property) securing any of the bonds or obligations so surrendered, said lien to be of substantially the same degree of priority as the lien of the bonds or obligations so surrendered; and

(b) that the aggregate amount of bonds or obligations not pledged or assigned hereunder, secured by lien on such property, or any thereof, in priority to, or on a parity with, the bonds or obligations secured by lien on such property, or any thereof, and pledged or assigned hereunder, shall not be increased by reason of or as a result of, such exchange.

Any company, other than MRPI or a Controlled Company, shares of the capital stock of which shall be pledged or assigned hereunder, may also be merged into, or consolidated with, or all of its property may, as an entirety, be sold to, or leased to, any other corporation;

Provided, however,

(a) that, in any case, the value of the security afforded by this Indenture shall not be, in any way, impaired or prejudiced thereby; and

(b) that the whole consideration payable, distributable, or deliverable on account of the stock pledged or assigned hereunder shall be subject to this Indenture and pledged or assigned hereunder, in like manner as the stock so pledged or assigned.

The capital stock of any company, any of whose stock shall be pledged or assigned hereunder may, for the purpose of carrying out any transaction permitted by the foregoing provisions of this Section 8, and as a part of, or in contemplation of, such transaction, be increased to the extent necessary therefor.

MRPI or any Controlled Company may be consolidated with or merged into, or all of its railroad property (which may exclude Excepted Property), or any part thereof, conveyed to, the Company. The railroad property (except Excepted Property) of MRPI or any Controlled Company so consolidated with, or merged into the Company, or, as the case may be, any such property so conveyed to the Company, shall, forthwith, upon such consolidation, merger or conveyance, and subject to existing liens thereon, become and be subject to the lien of this Indenture, as fully and completely as though now owned by the Company and described in the Granting Clauses hereof, and the Company, or, as the case may be, the corporation resulting from such consolidation, shall execute and deliver to the Trustee, a supplemental indenture or supplemental indentures conveying, assigning, and transferring such property to the Trustee, on the trusts of this Indenture.

The Trustee may, subject to the provisions of Section 5 of this Article Five, vote upon any of the stock deposited with it and may do any and all things proper to carry into effect the purposes of this Section 8 and, in order to facilitate any such merger or consolidation or other authorized transaction, the Trustee may make or permit any necessary exchange, cancellation, substitution or surrender of securities, or may transfer, in whole or in part, into the name of the Company or its nominee or nominees, under such restriction as it may deem sufficient for the protection of the holders of the Bonds, the shares of stock of any company about to be merged or consolidated, which then stand in the name of the Trustee or its nominee.

Nothing in this Section 8 contained shall be deemed to limit, modify or restrict any right, power or discretion conferred on the Trustee under any other provision of this Indenture. Except as herein otherwise expressly provided, the Trustee shall be fully protected in taking any action pursuant to this Section 8 upon receipt of

(a) a copy, certified by the Secretary of the Company under its corporate seal, of a resolution of the Board of Directors of the Company requesting such action;

(b) a certificate signed by the President or by one of the Vice Presidents and by the Comptroller or Treasurer or any financial or accounting Vice President of the Company, stating such facts as may be pertinent to the right of the Trustee to take such action and certifying that such action will not materially impair the lien or security of this Indenture; and

(c) an opinion of counsel that the action requested is authorized under the provisions of this Section 8.

Section 9. Anything in this Indenture contained to the contrary notwithstanding, the Company, unless and until some one or more of the events specified in Clauses A, B or C of Section 3 of this Article Five shall have happened, shall have the right by written request delivered to the Trustee, to require the cancellation of

(a) any bonds or obligations secured exclusively (or substantially exclusively) by lines of railroad or other property vested in the Company or MRPI and (except for non-railroad property and Excepted Property) subject to this Indenture as a direct lien, the entire issue of which (other than bonds which shall have been paid and cancelled or for the payment of which provision satisfactory to the Trustee shall have been made) shall be held by the Trustee as part of the trust estate, provided that no lien prior to or pari passu with the lien of this Indenture shall remain unsatisfied of record; and

(b) any unsecured obligations at the time held by the Trustee as part of the trust estate, issued by a corporation substantially all the railroad property (except Excepted Property) of which shall have been vested in the Company and become subject to this Indenture as a direct lien.

If the Company shall so request the cancellation of any such bonds or obligations, the bonds or obligations so cancelled shall on the written order of the Company be surrendered to the trustee under the mortgage or other instrument securing such cancelled bonds or obligations or, in case of unsecured obligations, to the corporation which issued such obligations, and the Company shall thereupon procure the satisfaction and discharge of the mortgage or other instrument securing any issue of such bonds or obligations all of which shall have been cancelled.

An opinion of counsel as to any matters pertinent to the right to take any action called for by this Section 9 shall as regards the Trustee be conclusive evidence of the statements therein contained on the faith of which action shall be taken and be full authority for action of the Trustee on the faith thereof in accordance therewith.

ARTICLE SIX.

Remedies of Trustee and Bondholders.

Section 1. If one or more of the following events, in this Indenture called events of default, shall happen, that is to say:

(a) default shall be made in the payment of any installment of interest on any of the Bonds when and as the same shall become payable, as therein and herein expressed, and such default shall continue for 60 days; or

(b) default shall be made in the payment of the principal of or premium, if any, on any of the Bonds when the same shall become due and payable, either by the terms thereof or otherwise as in this Indenture provided; or

(c) default shall be made in the payment of any installment of any sinking fund created for, or in carrying out any privilege or right of conversion granted to the holder of, any Bonds issued hereunder, and such default shall have been made an additional event of default under this Indenture as provided in Section 3 of Article Thirteen hereof by supplemental indenture hereto executed pursuant to said Section 3, or default shall be made in the payment of any installment of the sinking fund for Bonds of Series A, and such default shall continue for 60 days or such longer period, if any, as may be fixed by such supplemental indenture; or

(d) default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Company, its successors or assigns, in the Bonds or in this Indenture contained, and such default shall continue for 90 days after written notice specifying such default and requiring the same to be remedied shall have been given by registered or certified mail to the Company by the Trustee, which shall be under no duty to give such notice except on the written request of the holders of not less than 10% in principal amount of the Bonds at the time outstanding; or

(e) by the decree or order of a court of competent jurisdiction, a receiver, trustee, custodian or similar official shall be appointed of the Company or MRPI (after the subjection of its properties to the lien hereof) or of a major portion of its property, or a petition shall be filed against the Company or MRPI (after the subjection of its properties to the lien hereof) under the Federal Bankruptcy Code or other similar law at the time in force, and shall be approved by order of court, and any such decree or order shall have continued in effect for a period of 60 days, or the Company or MRPI (after the subjection of its properties to the lien hereof) shall consent to the appointment of any such receiver, trustee, custodian or similar official, or shall file a petition under the Federal Bankruptcy Code or other similar law at the time in force, or shall file an answer admitting the material allegations of such petition; or

(f) default shall be made in the payment of the interest on any

Prior Lien Obligation not pledged hereunder secured by a Prior Lien on the lines of railroad or any part thereof subject to this Indenture or owned by MRPI or a Controlled Company, and such default shall continue beyond the period of grace provided in the Prior Lien Indenture creating such Prior Lien; or

(g) the Company shall fail, on the maturity of any Prior Lien Obligation referred to in the foregoing Subdivision (f) of this Section 1 and on presentation thereof in accordance with the terms thereof, either to pay said Prior Lien Obligation within any period of grace provided thereunder or to cause said Prior Lien Obligation to be taken up and pledged under this Indenture, or if so required by the terms of any other Prior Lien Indenture, with the trustee or mortgagee thereunder, or otherwise to deal with said Prior Lien Obligation as may be required or permitted by this Indenture; or

(h) default shall be made in the performance of any covenant contained in any Prior Lien Indenture and by reason of such default, any right of entry or right of action for the enforcement of the security afforded thereby shall accrue; or

(i) an event of default shall occur under any lease, agreement, equipment trust agreement or indenture under which the Company is an obligor and the Trustee is also acting as trustee thereunder (the term "event of default" being used in this Subdivision (i) to mean any event, including the giving of any applicable notice and/or expiration of any period of grace provided for in the instrument in question, which permits the trustee thereunder to declare the principal amount of the obligation issued or secured thereby to become immediately due and payable),

then and in each and every such case the Trustee personally, or by its agents or attorneys, while such default shall continue, may enter into and upon all or any part of the railroads, property and premises, lands, rights, interests, and franchises hereby conveyed, or intended so to be, and each and every part thereof, and may exclude the Company and MRPI (after the subjection of its properties to the lien hereof), their agents and servants wholly therefrom; and, having and holding the same, may use, operate, manage, and control said railroads and other premises, regulate the tolls for the transportation of passengers and freight thereon, and conduct the business thereof, either personally or by its superintendents, managers, receivers, agents, and servants or attorneys; and upon every such entry the Trustee, at the expense of the trust estate, from time to time, either by purchase, repairs or construction, may maintain and restore, and may insure or keep insured, the tools and machinery and other property, buildings, bridges and structures erected or provided for use in connection with said railroads and other premises, whereof it shall become possessed, as aforesaid, in the same manner and to the same extent as is usual with railroad companies; and likewise, from time to time, at the expense of the trust estate, may make all necessary or proper repairs, renewals, replacements, additions, betterments and improvements thereto and thereon, as to the Trustee may seem judicious; and in such case the Trustee shall have the right to manage the mortgaged railroads and property and to carry on the business and exercise all rights and powers of the Company and MRPI (after the subjection of its properties to the lien hereof), either in the name of the Company or MRPI (after the subjection of its properties to the

lien hereof), or otherwise as the Trustee shall deem best. And the Trustee shall be entitled to collect and receive all tolls, earnings, income, rents, issues and profits of the same and every part thereof, and also the income from bonds or obligations subject to this Indenture. And after deducting the expenses of operating said railroads and other premises, and of conducting the business thereof and of all repairs, maintenance, renewals, replacements, additions, betterments and improvements, and all payments which may be made for taxes, assessments, insurance, and prior or other proper charges upon the trust estate, any part thereof, as well as reasonable compensation to the Trustee, its attorneys and agents, and all expenses, liabilities and advances made or incurred by the Trustee, its attorneys and agents, the Trustee shall apply the moneys arising as aforesaid, as follows:

(a) in case the principal of none of the Bonds shall have become due and be unpaid, to the payment of the interest in default in the order of the maturity of the installments of such interest, with interest thereon to the extent permitted by law, at the same rates respectively borne by the Bonds on which such interest shall be in default, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

(b) in case the principal of any of the Bonds shall have become due, by declaration or otherwise, and shall be unpaid, first to the payment of the accrued interest, with interest on the overdue installments thereof, to the extent permitted by law, at the same rates respectively borne by the Bonds on which such interest shall be in default, in the order of the maturity of the installments, and next to the payment of the principal of and premium, if any, on the Bonds the principal of which shall have become due by declaration or otherwise, with interest thereon at the same rates respectively borne by such Bonds immediately prior to their becoming due; in every instance such payments to be made ratably to the persons entitled to such payments, without any discrimination or preference.

Section 2. The Trustee shall, within 90 days after the occurrence thereof, give to the bondholders, in the manner provided below in this Section 2, notice of any default (whether or not constituting an event of default) known to the Trustee, unless such default shall have been cured or waived before the giving of such notice; **provided, however,** that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Bond or in the payment of any sinking or purchase fund installment, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the bondholders. Such notice shall be mailed, postage prepaid, to each owner of a Bond at the last address of such holder appearing on the registration books for the Bonds and otherwise in accordance with the provisions of paragraph (c) of Section 15 of Article Ten hereof.

If any bondholder shall give any notice to the Company in respect of a claimed default, the Company will forthwith give written notice thereof to the Trustee.

Section 3. In case any one or more of the events of default shall happen, then and in such case, unless the principal of the Bonds shall already have become due and payable, the Trustee by notice in writing delivered to the Company, while any such default shall continue may, and upon the written request of the holders of 25% in principal amount of the Bonds then outstanding, or in case default shall have been made in respect to one or more, but not all, series of Bonds, then upon the written request of the holders of 25% in principal amount of the Bonds of all series in default, shall, declare the principal of all the Bonds then outstanding to be forthwith due and payable, and upon any such declaration the same shall become and be forthwith due and payable, anything in this Indenture or in said Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of said Bonds shall have been so declared due and payable, and before any sale of the trust estate or any part thereof shall have been made in enforcement of this Indenture, all arrears of interest upon all the Bonds, with, to the extent permitted by law, interest on overdue installments of interest at the same rates borne by the respective Bonds on which installments of interest may be overdue, together with the reasonable charges and expenses of the Trustee, its agents and attorneys, shall either be paid by the Company or be collected out of the income of the trust estate and all other defaults under the Bonds, or under this Indenture, shall to the satisfaction of the Trustee be made good, or adequate provision made therefor, then and in such case the holders of a majority in principal amount of the Bonds then outstanding, by written notice to the Company and to the Trustee, may waive such default and its consequences; but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

If one or more of the events specified in Clauses A, B and C of Section 3 of Article Five hereof shall happen, the Trustee shall be entitled, while such default shall continue, to vote on all shares of stock then held under this Indenture, and, for the benefit of the holders of the Bonds, to collect and receive all dividends on all such shares of stock, and all sums payable for principal, interest, or otherwise upon any bonds or obligations or other indebtedness that shall then be held under this Indenture, and to apply, as hereinbefore in Section 1 of this Article Six provided, the net moneys received; and, as holder of any such shares of stock and of any such bonds or other obligations and such indebtedness, to perform any and all acts, or to make or execute any and all transfers, requests, requisitions or other instruments for the purpose of carrying out the provisions of this second paragraph of Section 3; but in the event that a receiver of the property embraced in the trust estate shall have been appointed and shall be in possession thereof in the enforcement of this Indenture or pursuant to the provisions hereof, the Trustee from time to time in its discretion may, and if requested by the holders of a majority in amount of the Bonds at the time outstanding shall, turn over any part or all of the interest moneys and dividends so collected by it to such receiver, and the Trustee may cooperate with such receiver in managing and operating the properties of the Company and MRPI (after the subjection of its properties to the lien hereof) in such manner as the Trustee shall deem for the best interest of the holders of the Bonds.

Section 4. If one of more of the events of default shall happen, the Trustee, with or without entry, in its discretion, either

(a) may sell, subject to the then existing prior liens thereon, to the highest and best bidder, all and singular the trust estate, including rights, franchises, interests, and appurtenances, and all real and personal property of every kind, and all right, title, and interest, claim, and demand therein, and right of redemption thereof; such sale or sales shall be made at public auction at such place or places, and at such times and upon such terms as the Trustee may fix and briefly specify in the notice of sale to be given as herein provided, or as may be required by law; or

(b) may proceed to protect and to enforce its rights and the rights of bondholders under this Indenture, by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure of this Indenture, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of its rights or duties under this Indenture or the rights of holders of the Bonds.

Section 5. Upon the written request of the holders of 25% in principal amount of the Bonds then outstanding, in case one or more of the events of default shall happen, or in case default shall have been made in respect to one or more, but not all, series of Bonds, then upon the written request of the holders of 25% in principal amount of the Bonds of all series in default, it shall be the duty of the Trustee, upon being indemnified as hereinafter provided, to take such steps for the protection and enforcement of its rights and the rights of the holders of the Bonds, and to exercise the power of entry or of sale herein conferred, or both, or to take appropriate judicial proceedings by action, suit, petition or otherwise as the Trustee, being advised by counsel, shall deem most expedient in the interest of the holders of the Bonds.

Section 6. In the event of any sale, whether made under the power of sale herein granted or conferred, or under or by virtue of judicial proceedings, the whole of the trust estate shall be offered for sale in one parcel as an entirety, unless (1) the holders of a majority in principal amount of the Bonds then outstanding shall in writing request the Trustee to cause said property to be sold in parcels, in which case the sales shall be made in such parcels as shall be specified in such request, or unless (2) such sale as an entirety is impracticable by reason of some statute or other cause. The Company, for itself and all persons and corporations hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Indenture, to the extent permitted by law, hereby expressly waives and releases, and shall cause MKPI, in the supplemental indenture in which it subjects its railroad property (except Excepted Property) to the lien of this Indenture, to waive and release, all right to have the properties and estate comprising the security intended to be created by this Indenture marshalled upon any foreclosure or any other enforcement hereof, and the Trustee, or any Court in

which the foreclosure of this Indenture or the administration of the trusts hereby created is sought, shall have the right as aforesaid to sell the entire property of every description comprised in or subject to the trusts created by this Indenture as a whole in a single lot or parcel.

Section 7. Notice of any sale by the Trustee pursuant to the provisions of this Indenture shall state the time and place when and where the same is to be made, and shall contain a brief general description of the property to be sold, and shall be sufficiently given if published once in each week for four successive weeks prior to such sale in a daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan, The City of New York, on any day of the week and in such other manner as may be required by law.

Section 8. The Trustee may adjourn from time to time any sale by it to be made under the provisions of this Indenture, by announcement at the time and place appointed for such sale, or for such adjourned sale or sales; and without further notice or publication, the Trustee may make such sale at the time and place to which the same shall be so adjourned.

Section 9. Upon the completion of any sale or sales under this Indenture, the Trustee shall execute and deliver to the accepted purchaser or purchasers a good and sufficient deed, or good and sufficient deeds, and other instruments, conveying, assigning, and transferring the properties sold. The Trustee and its successors hereby are appointed the true and lawful attorneys irrevocable of the Company and MRPI (after the subjection of its properties to the lien hereof), in their name and stead to make all conveyances, assignments and transfers of the premises and property thus sold in the judgment of the Trustee advisable; and, for that purpose, the Trustee or its successors may execute all requisite deeds and instruments of assignment and transfer, and may substitute one or more persons with like power; the Company and MRPI hereby ratifying and confirming all that its said attorney or attorneys or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless the Company and MRPI shall, if so requested by the Trustee, ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be, in the judgment of the Trustee, advisable for the purpose and as may be designated in such request.

Any such sale or sales made under or by virtue of this Indenture, whether under the power of sale herein granted and conferred, or under or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company and MRPI, of, in and to the premises and property so sold and shall be a perpetual bar both at law and in equity, against the Company and MRPI, their successors and assigns, and against any and all persons claiming or to claim the premises and property sold, or any part thereof from, through or under the Company and MRPI, their successors or assigns.

The personal property and chattels conveyed or intended to be conveyed by or pursuant to this Indenture (other than stocks, bonds and other securities and claims) shall be deemed real estate for all the purposes of this Indenture, and shall be held and taken to be fixtures and appurtenances of

said railroads, and part thereof, and are to be sold therewith and not separate therefrom, except as herein otherwise provided.

Section 10. The receipt of the Trustee for the purchase money paid at any such sale shall be a sufficient discharge therefor to any purchaser of the property or any part thereof, sold as aforesaid; and no such purchaser or his representatives, grantees or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this Indenture, or in any manner whatsoever be answerable for any loss, misapplication or nonapplication of any such purchase money or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

Section 11. In case of a sale under any of the foregoing provisions of this Article Six, whether made under the power of sale herein granted or pursuant to judicial proceedings, the principal of the Bonds, if not previously due, shall immediately thereupon become due and payable, anything in the Bonds or in this Indenture to the contrary notwithstanding.

Section 12. The purchase money, proceeds or avails of any such sale, whether made under the power of sale herein granted or pursuant to judicial proceedings, together with any other sums which then may be held by the Trustee under any of the provisions of this Indenture as part of the trust estate or the proceeds thereof, shall be applied as follows:

First. To the payment of the costs and expenses of such sale, including reasonable compensation to the Trustee, its agents and attorneys, and of all expenses, liabilities and advances made or incurred by the Trustee, and to the payment of all taxes, assessments, or other liens on the property sold prior to the lien of this Indenture, except prior liens subject to which the property shall have been sold;

Second. To the payment of the whole amount then owing or unpaid upon the Bonds for principal, premium, if any, and interest, with interest on the overdue principal and premium, if any, and on the overdue installments of interest, to the extent permitted by law, at the same rates respectively borne by the Bonds; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon said Bonds, then to the payment of the principal of and premium, if any, and interest on the Bonds, without preference or priority of any series over any other series, or of principal and premium, if any, over interest, or of interest over principal and premium, if any, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and premium, if any, and the accrued and unpaid interest;

Third. To the payment of the surplus, if any, to the Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Section 13. Upon any such sale by the Trustee or pursuant to judicial proceedings, any purchaser, for or in settlement or payment of the purchase price of the property purchased, shall be entitled to use and apply any

Bonds by presenting such Bonds in order that there may be credited thereon the sums applicable to the payment thereof out of the net proceeds of such sale to the owner of such Bonds as his ratable share of such net proceeds, after the deduction of costs, expenses, compensation and other charges; and thereupon such purchaser shall be credited, on account of such purchase price payable by him, with the portion of such net proceeds that shall be applicable to the payment of, and that shall have been credited upon, the Bonds so presented; and at any such sale, any holders of the Bonds may bid for and purchase such property, and may make payment therefor as aforesaid, and upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability.

Section 14. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the Company or MRPI (after the subjection of its properties to the lien hereof), its creditors or its property, the Trustee shall, to the extent permitted by law, be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Trustee and of the Bondholders allowed in such proceedings for the entire amount, if any, due and payable by the Company under this Indenture at the date of the institution of such proceedings and for any additional amount which may become due and payable by the Company hereunder after such date, without prejudice, however, to the right of any Bondholder to file a claim in his own behalf.

The Trustee is hereby, and by the taking and holding of the Bonds by the respective holders of Bonds, irrevocably appointed the attorney-in-fact and agent of such respective holders of the Bonds, with authority to make or file in their respective names or on behalf of all the holders of the Bonds or Bonds as a class, any proof of debt, claim, petition or other document in any such proceeding and to receive payment of all sums distributable on account thereof, and to execute any other documents and do all things on behalf of such holders of the Bonds as may be advisable in the opinion of the Trustee for such purpose, and to receive payment of or on account of such claims; **provided** that nothing contained in this Indenture shall be deemed to give the Trustee any right to accept or consent to any plan of reorganization or otherwise by action of any character in any such proceeding to waive or change in any way any right of any Bondholder or to constitute a waiver by the Company or MRPI of its right to contest the validity of any claim made against it.

Section 15. The Company covenants that

(1) In case default shall be made in the payment of any installment of interest on any of the Bonds, and such default shall have continued for 60 days; or

(2) In case default shall be made in the payment of the principal of or premium, if any, on any of the Bonds when the same shall become payable, whether upon the maturity of the Bonds or otherwise as in this Indenture provided,

then upon demand of the Trustee, the Company will pay to the Trustee for the benefit of the holders of the Bonds then outstanding, the whole amount

which then shall have become due and payable on all the Bonds then outstanding, for interest or premium, if any, or principal, as the case may be, with interest upon the overdue principal and premium, if any, and installments of interest, to the extent permitted by law, at the same rates respectively borne by the respective Bonds which, or the installments of interest on which, are overdue; and in case the Company shall fail to pay the same forthwith upon such demand, the Trustee in its own name and as trustee of an express trust, shall be entitled to recover judgment for the whole amount so due and unpaid and in case of the pendency of any receivership, insolvency, reorganization or bankruptcy proceedings affecting the Company or MRPI (after the subjection of its properties to the lien hereof) or its property, to file and prove a claim for the whole amount so unpaid.

The Trustee shall be entitled to recover judgment as aforesaid, or to file or prove claims as aforesaid, or to file or prove claims for the principal amount of and interest on the Bonds, even though the principal or interest, or both, shall not then have become due, either before or after or during the pendency of any proceedings for the enforcement of the lien of this Indenture; and the right of the Trustee to recover such judgment, or to file or prove claims as aforesaid, shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Indenture or the foreclosure of the lien hereof; and in case of a sale of the property subject to this Indenture, and of the application of the proceeds of sale to the payment of the debt hereby secured, the Trustee in its own name and as Trustee of an express trust, shall be entitled to enforce payment of, and to receive all amounts then remaining due and unpaid upon, any and all of the Bonds then outstanding, for the benefit of the holders thereof, and shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest. No recovery of any such judgment by the Trustee, and no levy of any execution on any such judgment, on property subject to this Indenture, or on any other property, shall, in any manner or to any extent, affect the lien of this Indenture on the property, or any part of the property, subject to this Indenture, or any lien, rights, powers or remedies of the Trustee hereunder, or any lien, rights, powers or remedies of the holders of the Bonds, but such lien, rights, powers, and remedies of the Trustee and of the bondholders shall continue unimpaired as before.

Any money thus collected by the Trustee under this Section 15 shall be applied by the Trustee, first, to the payment of the expenses, disbursements and compensation of the Trustee, its agents and attorneys, and, second, to payment of the amounts then due and unpaid upon such Bonds in respect of which such moneys shall have been collected, ratably and without any preference or priority of any kind according to the amounts due and payable upon such Bonds, at the date fixed by the Trustee for the distribution of such moneys, on presentation of the several Bonds and their surrender, if fully paid, or proper stamping if only partly paid.

All rights of action under this Indenture may be enforced, and claims in any receivership, insolvency, reorganization or bankruptcy proceeding may be filed or proved in respect of the Bonds by the Trustee without the possession or presentation of any such Bonds or the production thereof on the trial or other proceedings relative thereto, and any suit or proceeding

instituted by the Trustee shall be brought in its name as Trustee, and any recovery of judgment in any such suit or proceeding or any recovery in any receivership, insolvency, reorganization or bankruptcy proceeding shall be for the ratable benefit of the holders of Bonds.

Section 16. Neither the Company nor MRPI will at any time insist upon or plead, or in any manner whatever claim or take the benefit or advantage of, any stay or extension law, now or at any time hereafter in force; nor will it claim, take or insist upon any benefit or advantage from any law now or hereafter in force providing for the valuation or appraisal of the property, or any part of the property, subject to this Indenture, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor after any such sale or sales will it claim or exercise any right under any statute heretofore or hereafter enacted by the United States or by any State, or otherwise, to redeem the property so sold or any part thereof; and the Company, for itself and all persons claiming under or through it, hereby expressly waives, to the extent permitted by law, all such rights and all benefits and advantage of any such law or laws, and its covenants that it will not hinder, delay or impede the execution of any power herein granted or delegated to the Trustee, but that it will suffer and permit the execution of every such power as though no such law or laws had been made or enacted, and shall cause MRPI, in the supplemental indenture in which it subjects its railroad property (except Excepted Property) to the lien of this Indenture, to so waive and covenant.

Section 17. Upon filing a bill in equity, or upon commencement of any other judicial proceeding, to enforce any right of the Trustee or of the bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the premises and property subject to this Indenture, or any thereof, and of the earnings, income, revenues, rents, issues and profits of the premises and property subject hereto, with such powers as the court making such appointment shall confer; but notwithstanding the appointment of any receiver, or a trustee, or of any proceeding in bankruptcy, the Trustee shall be entitled, as pledgee, to continue to retain possession and control of any bonds, cash and other property pledged or to be pledged, and held hereunder.

Section 18. In case (1) of a default in any of the respects mentioned in Section 1 of this Article Six, and in any judicial proceeding by any party other than the Trustee, a receiver or trustee shall be appointed of the Company or MRPI (after the subjection of its properties to the lien hereof) or of its property, or a judgment or order be entered for the sequestration of its property; or in case (2) the Company shall make default in the payment of interest specified in Subdivision (a) of said Section 1, and shall, by resolution of its Board of Directors, admit to the Trustee its inability to make good such default within the period of grace in said Subdivision (a) mentioned; the Trustee, in and during the continuance of either such case, without waiting the period of grace, if any, in said Section 1 specified in respect of such default, shall thereupon be entitled, in the discretion of the Trustee, forthwith to exercise the right of entry herein conferred, and also any and all other rights and powers herein conferred and provided to be exercised by the Trustee upon the happening of an event of default as hereinbefore provided, and as a matter of

right the Trustee shall thereupon be entitled, in the discretion of the Trustee, to the appointment of a receiver of the trust estate, and of the earnings, income, revenue, rents, issues and profits thereof, subject to this Indenture, with such powers as the court making such appointment shall confer; provided, however, that notwithstanding the appointment of any such receiver or trustee, or any such proceeding in bankruptcy, the Trustee shall be entitled, as pledgee, to continue to retain possession and control of any bonds, cash and other property pledged or to be pledged, and held hereunder.

Section 19. Upon application of the Trustee to any court of competent jurisdiction, and, with the consent of the Company, if none of the events of default shall have happened and be continuing, and without such consent, if one or more of the events of default shall have happened and be continuing, a receiver may be appointed to take possession of, and to operate, maintain and manage the whole or any part of the property subject to this Indenture, and the Company and MRPI (after the subjection of its properties to the lien hereof) shall transfer and deliver to such receiver all such property, wheresoever the same may be situated; and in every case, when a receiver of the whole or any part of said property shall be appointed under this Section 19, or otherwise, the net income and profits of such property shall be paid over to, and shall be received by, the Trustee, for the benefit of the holders of the Bonds, to be applied as provided in Section 1 of this Article Six, any balance of such income and revenues after such application to be paid to the Company; provided, however, that notwithstanding the appointment of any such receiver, the Trustee, as pledgee, shall be entitled to retain possession and control of any bonds, cash and other property pledged or to be pledged, and held hereunder.

Section 20. No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the foreclosure of this Indenture, or for the execution of any trust hereunder, or for the appointment of a receiver, or for any other remedy hereunder, unless such holder previously shall have delivered to the Trustee written notice that some event of default specified in such notice has happened, and unless also the holders of 25% in amount of the Bonds then outstanding, or, in case default shall have been made with respect to one or more, but not all, series, 25% in principal amount of the Bonds of all series in default, shall have requested the Trustee in writing to take action in respect of such event of default, and shall have afforded to the Trustee reasonable opportunity either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name, and unless also they shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and unless also the Trustee shall have refused or neglected to act upon such notification, request and offer of indemnity within 60 days after receipt thereof; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution by any bondholder of the powers and trusts of this Indenture and to any action or cause of action for foreclosure or for the appointment of a receiver or for any other remedy hereunder; **provided that** nothing contained in this Indenture or in the Bonds

shall affect or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, and the premium, if any, and interest on, the Bonds to the respective holders of the Bonds at the respective due dates stated in such Bonds, or affect or impair the right of action, which is also absolute and unconditional, of such holders to enforce the payment thereof; it being intended that no one or more holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the lien of this Indenture, or to enforce any right hereunder, or to participate in any suit or proceeding for the enforcement hereof, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of such outstanding Bonds. Anything in this Indenture contained to the contrary notwithstanding, the holders of a majority in principal amount of the Bonds then outstanding, shall have the right, from time to time, if they so elect and manifest such election by an instrument in writing executed and delivered to the Trustee, to direct, not otherwise than as herein provided, the time, method and place of taking and conducting any and all proceedings for any sale of the premises and property subject to this Indenture, or for the foreclosure of this Indenture, and of taking and conducting any other action or proceeding hereunder; provided, however, that the Trustee shall have the right to decline to follow any such direction if it shall in good faith by Responsible Officers determine that the action or proceeding so directed would be illegal or involve the Trustee in personal liability, and provided further that nothing in this Indenture shall impair the right of the Trustee in its discretion to take any action deemed proper by the Trustee and which is not inconsistent with such direction by such holders. Except as provided in Section 3 of this Article Six, the holders of a majority in principal amount of the Bonds, or of the Bonds of all series affected thereby, may on behalf of the holders of all the Bonds waive any past default hereunder and its consequences other than an uncured event of default specified in Subdivision (a) or (b) of Section 1 of this Article Six. In the case of any such waiver, the Company, MRPI, the Trustee and the bondholders shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 21. Except as herein expressly provided to the contrary, no remedy herein conferred upon or reserved to the Trustee or to the holders of Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 22. No delay or omission of the Trustee or of any holder of Bonds to exercise any right or power accruing upon any default, shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article Six to the Trustee and to the bondholders, respectively, may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the bondholders, as the case may be.

Section 23. In case the Trustee shall have proceeded to enforce any

right under this Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely to the Trustee, then, and in every such case, the Company, MRPI and the Trustee shall severally and respectively be restored to their former positions and rights hereunder in respect of the trust estate, and all rights, remedies and powers of the Trustee shall continue as though no such proceedings had been taken.

Section 24. The Trustee shall have power, but shall be under no duty, to institute suits or proceedings to restrain the enforcement of, or compliance with, or the observance of, any legislative or governmental enactment, rule or order, that it may be advised or believe is unconstitutional, or otherwise invalid, if the enforcement of, or compliance with, or observance of, such enactment, rule or order would, in the judgment of the Trustee, impair the security hereunder, or be prejudicial to the Trustee or the bondholders.

Section 25. All parties to this Indenture agree, and each holder of any Bond, by his acceptance thereof, shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant to such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section 25 shall not apply to any suit instituted by the Trustee, to any suit instituted by any bondholder or group of bondholders holding in the aggregate more than 10% in principal amount of the Bonds, or to any suit instituted by any bondholder for the enforcement of the payment of principal of or interest on any Bond, on or after the due date expressed in such Bond.

ARTICLE SEVEN.

Immunity of Stockholders, Officers and Directors.

No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Bond, or because of the creation of any indebtedness represented by the Bonds or secured by this Indenture, or any supplement thereto or agreement in respect thereof, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company, or of any successor corporation, either directly or through the Company or any such successor, whether by any legal or equitable proceeding, by virtue of any statute, constitutional provision or rule of law or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Indenture and the obligations hereby secured are solely corporate obligations and that no personal liability whatever shall attach to or be incurred by the incorporators, stockholders, officers or directors, as such, of the Company or of any successor corporation, or any of them, because of the incurring of the

indebtedness hereby secured, or under or by reason of any of the obligations, covenants or agreements contained in this Indenture or any supplement thereto or agreement in respect thereof, or in any of the Bonds, or implied therefrom; and that any and all such personal liability of every name and nature, and any and all rights and claims against every such incorporator, stockholder, officer or director, as such, whether arising at common law or in equity, or created by statute or constitution, are hereby expressly waived and released as a condition of, and as a part of the consideration for, the execution of this Indenture and the issue of the Bonds.

ARTICLE EIGHT.

Bondholders' Acts, Holdings and Apparent Authority.

Any proxy, demand, request or other instrument required by this Indenture to be signed and executed by bondholders may be in any number of concurrent writings of similar tenor, and may be signed or executed by such bondholders in person or by agent appointed in writing. Proof of the execution of any such proxy, demand, request or other instrument, or of the writing appointing any such agent, shall be sufficient for any purpose of this Indenture, and shall be conclusive in favor of the Trustee or of the Company with regard to due action taken by the Trustee or by the Company under such instrument, if such proof be made in the following manner:

The fact and date of the execution by any person of any such proxy, demand, request, other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take, either within or without the States of Illinois or New York, acknowledgments of deeds to be recorded in the States of Illinois or New York, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution or by having the signature of the person signing such proxy, demand, request or other instrument guaranteed by any New York Stock Exchange member firm, trust company, bank, banker or other depository (wherever situated) satisfactory to the Trustee.

The ownership of registered Bonds without coupons shall be proved by the registers of such Bonds.

The foregoing provisions of this Article Eight are subject to the provisions of Article Fourteen hereof with respect to proceedings for modification of this Indenture.

ARTICLE NINE.

Releases of Mortgaged Property.

Section 1. The provisions of this Article Nine shall not be deemed in any manner to limit any right or power conferred on the Company or MRPI or any Controlled Company by other provisions of this Indenture, but shall be expressly subject thereto. References to MRPI in this Article Nine in the context of property subject to the lien of this Indenture are intended to apply only after the subjection to said lien of property of MRPI

provided for in Section 16 of Article Four. References to MRPI in this Article Nine in the context of property not subject to said lien (comparable to references to Controlled Companies) are intended to apply only prior to such subjection. Nothing contained in this Article Nine shall be deemed to prohibit MRPI, prior to such subjection, or any Controlled Company from taking any of the actions specified in this Article Nine.

Section 2. From time to time, the Company or MRPI, subject to the conditions and limitations in this Article Nine prescribed, and not otherwise, may sell or exchange for other property or otherwise dispose of (all kinds of such transactions are herein sometimes referred to by the terms "sell," "sale" and "sold") and the Trustee, upon the delivery to it of the opinion and certificates required by Section 10 of this Article Nine and upon the deposit in accordance with the provisions of Section 11 of the proceeds of any such sale, shall release from the lien and operation of this Indenture,

(a) any part of the lines of railroad which are or shall be at any time subject to this Indenture or any leasehold, easement, track-age right or other interest in any line of railroad which is or shall be at any time subject to this Indenture, provided that either

(1) such release will not break the continuity of the lines of railroad then remaining subject to the lien of this Indenture, it being understood that such continuity may be maintained by an undivided or leasehold interest in lines of railroad or operating rights over lines of railroad, or

(2) that in the judgment of the Board of Directors, evidenced by certified resolution delivered to the Trustee, such release will not materially adversely affect the security for the Bonds or the interest of the holders thereof,

and

(3) that it shall no longer be necessary or expedient to retain such part of said lines of railroad or such interest, or such part thereof, as a part of the lines of railroads subject to this Indenture, and

(b) any other real or personal property and any rights or interest in property the sale and/or release of which are not hereinafter in this Article Nine specifically provided for, which it shall no longer be necessary or expedient to retain for the operation, maintenance or use of the lines of railroad then subject to this Indenture, or for the business of the Company.

From time to time, the Company may permit MRPI or any Controlled Company to sell all or any part of its lines of railroad, real estate or other railroad property, or rights and interests in such property, provided, that it shall no longer be necessary or expedient to retain such lines of railroad or other property (the term "property" is herein sometimes used to

refer to property or rights and interests in property) so sold for the operation, maintenance or use of the lines of railroad subject, or a leasehold interest in which is subject, to this Indenture, or for use in the business of the Company or MRPI or such Controlled Company, and the Trustee, upon delivery to it of the opinion and certificates required by Section 10 of this Article Nine, shall do all acts requisite on its part to permit consummation of such sale.

Section 3. From time to time, the Company, subject to the conditions and limitations in this Article Nine prescribed, and not otherwise, may sell, and the Trustee upon the delivery to it of the opinion and certificates required by Section 10 of this Article Nine and upon the deposit in accordance with the provisions of Section 11 of the proceeds of any such sale, shall release from the lien and operation of this Indenture, any of the stocks or bonds or obligations pledged or assigned hereunder, provided

(a) that the entire amount pledged or assigned hereunder of stocks and bonds of any one corporation shall be sold, and that it shall no longer be necessary or expedient to retain the same, or

(b) that the bonds or obligations to be released are to be purchased in connection with meeting or utilizing sinking fund payments or moneys deposited under a mortgage securing such bonds or obligations, and that it shall no longer be necessary or expedient to retain the same.

Section 4. From time to time, the Company or MRPI, subject to the conditions and limitations in this Article Nine prescribed, and not otherwise, may sell parts of its tracks or other property subject to this Indenture, or grant trackage rights over such tracks, or make such other arrangements, to or with any terminal company or union depot company or dock company or other railroad company with which it may enter into arrangements for joint depot, dock and terminal facilities, provided

(a) that the Company or MRPI secures contracts giving it the right to use such union depot, dock, or terminal property upon equitable terms with the other companies using the same, and

(b) that the fair value of the property sold or the rights parted with shall not be greater than the fair value of the rights, moneys and property obtained,

and the Trustee, upon the delivery to it of the opinion and certificates required by Section 10 of this Article Nine and upon the deposit in accordance with the provisions of Section 11 of the proceeds of any such sale, shall release the property so sold.

From time to time, the Company may permit MRPI or any Controlled Company to make similar sales, grants or arrangements, provided

(a) that MRPI or the Controlled Company making such sale, grant or arrangement secures contracts giving it the right to use such union depot, dock or terminal property upon equitable terms with the other

companies using the same, and

(b) that the fair value of the property sold or the rights parted with shall not be greater than the fair value of the rights, moneys and property obtained,

and the Trustee, upon delivery to it of the opinion and certificates required by Section 10 of this Article Nine, shall do all acts requisite on its part to permit consummation of any such sale, grant or arrangement.

Section 5. The Trustee shall, from time to time, upon the delivery to it of the opinion and certificates required by Section 10 of this Article Nine, release from the lien of this Indenture any franchise or portion thereof which is to be or shall have been surrendered by the Company or MRPI, and any lines of railroad, tracks or structures which are to be or shall have been removed or abandoned by it, provided that such surrender of franchise or such removal or abandonment of railroads, tracks and structures

(a) shall be or shall have been made pursuant to any agreement with the Federal Government, a state, municipality or other political division or subdivision of a state, or to legal requirement, or

(b) shall have been duly authorized by the Interstate Commerce Commission, any commerce, public service or public utilities commission, railroad commission or other governmental body, state or Federal, if any, having jurisdiction in the premises and that the value of the security afforded by this Indenture shall not be substantially impaired or prejudiced thereby.

The Company, from time to time, may permit MRPI or any Controlled Company to surrender any franchise or to remove or abandon all or any of its railroads, tracks and structures, provided that such surrender of franchise or such removal or abandonment of railroads, tracks and structures

(a) shall be or shall have been made pursuant to any agreement with the Federal Government, a state, municipality or other political division or subdivision of a state or to legal requirement, or

(b) shall have been duly authorized by the Interstate Commerce Commission, any commerce, public service or public utilities commission, railroad commission or other governmental body, state or Federal, if any, having jurisdiction in the premises and that the value of the security afforded by this Indenture shall not be substantially impaired or prejudiced thereby,

and the Trustee, upon delivery to it of the opinion and certificates required by Section 10 of this Article Nine, shall do all acts on its part requisite in connection therewith.

Section 6. The Trustee shall, from time to time, upon the delivery to it of the opinion and certificates required by Section 10 of this Article

Nine, release from the lien of this Indenture, or, if it so elects, join in a conveyance without warranties of title of, any property except lines of railroad and pledged securities, provided

(a) that this Indenture is not a lien thereon, whether or not constituting a cloud upon, or adversely affecting, the title of the true owner or prospective purchaser thereof, or

(b) that the properties to be released or conveyed are without value to the Company or the trust estate.

The Company shall not be required to deposit with the Trustee, or to account to the Trustee for, the consideration, if any, for any property released or conveyed pursuant to this Section 6.

Section 7. In the event that any of the trust estate shall be involved in any action or proceeding in which it shall be sought to require the Company or MRPI to part with the ownership, possession or operation of some portion of the trust estate, the Trustee may be represented by counsel (who may be of counsel to the Company), in such action or proceedings and shall, either before or after final judgment in said action or proceedings, and whether or not a party to said action or proceedings, upon the delivery to it of the opinion and certificates required by Section 10 of this Article Nine and upon the deposit in accordance with the provisions of Section 11 of the consideration to be received by the Company or MRPI in respect thereof or upon the making of arrangements satisfactory to the Trustee for the subsequent deposit of such consideration, release from the lien of this Indenture, the property or any part thereof involved in said action or proceedings, provided

(a) if such release is made after final judgment, the opinion of counsel provided for in Section 10 of this Article Nine shall state that the Company or MRPI has been duly required to part with the ownership, possession or operation of the property, the release of which is requested, and shall state the amount of cash, if any, to be received by the Company or MRPI on account of the fair value of such property, and

(b) if such release is made before final judgment, the certificate provided for in Section 10 of this Article Nine shall state that in the opinion of the signers (i) the fair value of the consideration to be received by the Company or MRPI, if any, is at least equal to the excess over the legal expenses involved of (A) the fair value of the consideration which would be received by the Company or MRPI if the action or proceedings in question were continued to a final judgment or (B) the fair value of the property conveyed, or (ii) if no consideration is to be received, that such property is without fair value to the Company or MRPI or the trust estate in excess of such legal expenses. The signers may rely upon advice of counsel (who may be an employee of or counsel to the Company) as to probabilities of results on a final judgment and estimates of legal expenses.

Section 8. From time to time, the Company or MRPI may sell, exchange or otherwise dispose of or retire from service, free from the lien of this Indenture and without release by the Trustee, any property other than cash at any time subject to the lien hereof if it is not necessary or expedient to retain the same for railroad purposes, not exceeding in any one calendar year a total of \$1,500,000 (indexed for inflation) in fair value at the time of disposition or retirement. The Company agrees that in each case it or MRPI will expend the cash proceeds of any such sale or an amount equal to the fair value of any property not disposed of for cash or for property received in exchange, to replace the property so sold or otherwise so disposed of or so retired from service by other property, not necessarily of the same character, and that all such substituted property and all property received in exchange for property which was subject to the lien hereof (which shall be of a fair value at least equal to the fair value of the property which was subject to the lien hereof at the time of its sale, exchange or other disposal or retirement from service) shall forthwith become subject to the lien thereof. The Company or MRPI, however, in lieu of replacing the property so sold, may deposit the proceeds of the sale of such property in accordance with Section 11 of this Article Nine.

The Trustee from time to time at the request of the Company and upon receiving a certificate, signed by its President or one of its Vice Presidents and by its Comptroller or Treasurer or any financial or accounting Vice President and by an engineer, appraiser or other expert (who, if the fair value of the property to be released shall appear from such certificate to be not less than \$25,000 or such larger amount as may at the time be specified in Section 314(d) of the Trust Indenture Act of 1939 or any successor thereto and not less than 1% of the aggregate principal amount of Bonds then outstanding and the fair value of such property and of all other property released from the lien of this Indenture under this Article Nine since the commencement of the then current calendar year, as set forth in the certificates or opinions required by this Article Nine, shall be 10% or more of the aggregate principal amount of Bonds outstanding on the date of such certificate, shall be an independent engineer, appraiser or other expert whose selection by the Company shall have been approved by the Trustee in the exercise of reasonable care), specifying the property to be released and the fair value thereof, stating that it is not necessary or expedient to retain such property for railroad purposes of the Company or MRPI, stating that in the opinion of the signers the proposed release will not impair the security under this Indenture in contravention of the provisions thereof, stating that the Company or MRPI has complied or will comply in full with the provisions of the first paragraph of this Section 8 with regard to the sale, exchange, disposition or retirement of such property and stating the fair value of all property theretofore sold, exchanged or otherwise disposed of or retired from service by the Company or MRPI pursuant to this Section 8 within the calendar year in which such property was sold, exchanged or otherwise disposed of or retired from service, shall execute and deliver a confirmatory release that such property is free from the lien hereof.

The Company shall deliver to the Trustee, on or before the first day of July in each year commencing with the year 1985, a certificate, signed by its President or one of its Vice Presidents and by its Comptroller or

Treasurer or any financial or accounting Vice President and by an engineer, appraiser or other expert, setting forth in reasonable detail all property and the fair value thereof sold, exchanged or otherwise disposed of or retired from service under this Section 8 within the preceding calendar year, and all replacements thereof made during such calendar year and the fair value of such replacements, together with all such deeds, conveyances or instruments of further assurance (if any), and evidence of such filing or recording thereof, as may be necessary for the purpose of effectually subjecting such replacements to the lien hereof, and an opinion of counsel of the Company that such deeds, conveyances and instruments of further assurance are valid and sufficient for such purpose, or an opinion of counsel that no such instruments are necessary. The Company shall, at the time of delivery of such certificate, deposit in accordance with Section 11 of this Article Nine, an amount in cash equal to any excess of the fair value of the property so sold, exchanged or otherwise disposed of or retired from service within the preceding calendar year over the fair value of the replacements described in such certificate.

Section 9. The Company or MRPI shall also have full power, in its discretion, from time to time, to dispose of, free from the lien of this Indenture and without release by the Trustee, any portion of the Equipment, machinery, apparatus, implements and portable personal property at any time held subject to the lien hereof, which may have become obsolete or otherwise unfit or unnecessary for use upon the mortgaged premises. The Company or MRPI, in case the Company or MRPI sells any such property, shall either replace such property with other property, not necessarily of the same character but having a fair value at least equal to the fair value of the old property at the time of disposition or shall deposit the proceeds of the sale of such property in accordance with the provisions of Section 11 of this Article Nine if such fair value or such proceeds exceeds \$10,000 (indexed for inflation). The Company will file with the Trustee on or before July 1st in each year commencing with the year 1985, a certificate signed by its President or a Vice President and by its Comptroller or Treasurer or any financial or accounting Vice President stating that the Company and MRPI have fully complied with the covenant contained in the last preceding sentence in respect of all property sold during the preceding calendar year.

The Company or MRPI may at any time make any change in the location of any of the tracks, station houses, buildings or other structures upon any part of the mortgaged premises, provided that the new or relocated tracks, station houses, buildings or other structures, and the premises on which the same may be erected, shall be or become subject to the lien of this Indenture, and that there shall be deposited in accordance with the provisions of Section 11 of this Article Nine the net proceeds (if any) of such change and substitution, and the Company or MRPI may dismantle spur and side tracks, station houses, section houses and other buildings and structures of the mortgaged lines of railroad.

The Company or MRPI may change, amend, supplement, surrender, or accept the surrender of any leases, licenses, trackage rights or contracts subject to this Indenture, whether existing at the date of the execution and delivery of this Indenture or thereafter made, and the Trustee upon the delivery to it of the opinion and certificates required by Section 10 of

this Article Nine, shall do all acts requisite on its part to permit consummation of any such change, amendment, supplement or surrender.

In such event, any changed, amended or supplemented leases, licenses, trackage rights or contracts shall be subject to this Indenture in the same manner and to the same extent as those previously existing.

The Company or MRPI shall have full power to make any lease or license of, or to grant any trackage rights upon, the mortgaged premises or any part thereof, or to enter into any contract affecting the same subject to the prior lien of this Indenture, but nothing in this Section 9 contained shall be construed as giving the Company or MRPI power to make any such lease or to grant any such trackage rights or to enter into any such contract, unless such lease, trackage right, or contract shall be subject to the prior lien of this Indenture. The Trustee shall not bring any action for possession or otherwise disturb the possession or other rights of any lessee or holder of trackage rights or other contract rights so long as such lessee or other holder, if requested by the Trustee, agrees to attorn to the Trustee.

Section 10. The Company or MRPI, when requesting any action under this Article Nine, except action pursuant to Sections 8, 14 or 17 hereof and action in respect of the property or rights of a Controlled Company, or of MRPI not subject to the lien of this Indenture, shall deliver to the Trustee a request and a certificate signed by its President or one of its Vice Presidents and by its Comptroller or Treasurer or any financial or accounting Vice President, which shall set forth, as the case may be,

(a) a description of the property or rights a release of which, or other action in respect of which, is requested;

(b) the selling price, if any, of the property or rights or a description and the fair value of the property or rights, if any, to be received in exchange therefor, or in the case of a lease, the rent to be received;

(c) that the fair value of such property or rights is not greater than the price at which the same is to be sold or the fair value of the property or rights to be received in exchange, or in the case of a lease that the rental to be received is fair and adequate;

(d) such matters as it shall be necessary to establish in order to show that the release of, or other action in respect of, the property or rights forming the subject of such request is authorized under the provisions and restrictions of this Article Nine; and

(e) that the Company is not in default hereunder.

The Company, when requesting any action under this Article Nine in respect of the property or rights of MRPI or any Controlled Company, shall deliver to the Trustee a request and a certificate signed by its President or one of its Vice Presidents, and by its Comptroller or Treasurer or any financial or accounting Vice President, or a certificate signed by the

President or one of the Vice Presidents and by the Comptroller or Treasurer or any financial or accounting Vice President, of MRPI or such Controlled Company, which shall set forth, as the case may be,

(a) a description of the property or rights of MRPI or the Controlled Company consent for the sale of which, or other action in respect of which, is requested;

(b) the selling price, if any, of such property or rights or a description and the fair value of the property or rights, if any, to be received in exchange therefor, or in the case of a lease, the rent to be received;

(c) that the fair value of such property or rights is not greater than the price at which the same is to be sold or the fair value of the property or rights to be received in exchange, or in the case of a lease that the rental to be received is fair and adequate;

(d) such matters as it shall be necessary to establish in order to show that the consent for the sale of, or other action in respect of, the property or rights of MRPI or the Controlled Company forming the subject of such request is authorized under the provisions and restrictions of this Article Nine; and

(e) that the Company is not in default hereunder.

The Company, when requesting any action of release or confirmatory release under this Article Nine, except action pursuant to Sections 8, 14 or 17 hereof, shall also deliver to the Trustee, if the fair value of the property to be released and of all other property released since the commencement of the then current calendar year, as set forth in any certificates or opinions furnished pursuant to any provision of this Article Nine, is 10% or more of the aggregate principal amount of the Bonds at the time outstanding, the certificate of an independent engineer, appraiser or other expert whose selection by the Company shall have been approved by the Trustee in the exercise of reasonable care, stating the fair value, in the opinion of the signer, of the property to be released, and further stating that in the opinion of the signer the proposed release will not impair the security under this Indenture in contravention of the provisions thereof; **provided, however,** that such certificate shall not be required in the case of any release if the fair value of the property as set forth in the certificate otherwise required by this Section 10 is less than \$25,000 or such larger amount as may at the time be specified in Section 314(d) of the Trust Indenture Act of 1939 or any successor thereto or less than 1% of the aggregate principal amount of the Bonds at the time outstanding.

The Company, when requesting any action under this Article Nine, shall also deliver to the Trustee an opinion of counsel, stating that the action so requested is authorized by the provisions of this Article Nine, and that the certificates furnished to the Trustee in connection therewith are in compliance with the provisions of this Section 10. Such opinion and certificates may be received by the Trustee as conclusive evidence of any

of the facts, or of the continuance of any conditions, or of anything by this Article Nine required to be established or shown in order to authorize the action sought in respect of any property forming the subject of such certificates and shall be full warrant to the Trustee for any action taken on the faith thereof; but the Trustee, in its discretion, may require at the cost and expense of the Company, such further and additional evidence as to it may seem reasonable.

Section 11. Except as otherwise in this Article Nine provided, and unless, as stated in the opinion of counsel furnished pursuant to Section 10 of this Article Nine, some other disposition thereof be required by a Prior Lien Indenture and subject to the provisions of the second paragraph of this Section 11, the cash or other proceeds of any and all sales pursuant to this Article Nine of property of the Company or of MRPI subject to the lien of this Indenture, and all moneys required pursuant to any provision of this Indenture to be deposited in accordance with this Section 11, shall be deposited with the Trustee. Any moneys received by the Trustee pursuant to the provisions of this Article Nine shall be held by the Trustee and, provided that the Company shall not to the knowledge of the Trustee be in default hereunder, shall be applied upon written request of the Company, at any time,

(a) to withdrawal by the Company on and to the extent of any basis, not used as a basis for authentication of Bonds hereunder, for which Bonds may be authenticated and delivered under Sections 2 and 3 of Article Two hereof; such payments to be made only in accordance with the applicable provisions of Sections 4 and 5 of Article Two hereof, and subject to all the conditions and restrictions of said Sections 4 and 5, except that such payments may be made in an amount equal to 100% of the actual amount of any basis for which bonds may so be authenticated and delivered (and not 75% as provided in certain circumstances in said Sections 4 and 5) and except that no resolution of the Board of Directors shall be required, or

(b) by the Trustee, from time to time, (1) to reimburse the Company for the cost of Bonds of any one or more specified series called for redemption, other than for any mandatory sinking fund, or (2) for the purchase of Bonds of any one or more specified series (from the Company, or otherwise) in the open market, or by private purchase, at not exceeding the optional redemption price thereof on the date of such purchase or, if such Bonds may not then be redeemed at the option of the Company, on the next ensuing date on which Bonds of the series so purchased are so redeemable according to their terms (exclusive, in each case, of accrued interest, brokerage charges and other expenses of the purchase, which the Company shall provide) or at a price in excess of such optional redemption price if the Company shall provide the amount of the excess of the purchase price over the redemption price; and Bonds so purchased forthwith shall be cancelled and destroyed and a certificate of destruction furnished to the Company by the Trustee, and no Bonds shall be issued in lieu thereof.

Whenever in this Indenture provision is made for the deposit of cash

with the Trustee which is subject to disposition as provided in this Section 11, such cash need not be actually deposited if and to the extent that the Company shall at the time comply with the requirements set forth in the preceding paragraph to procure the release of such cash pursuant to this Section 11. In such event, however, such cash shall, for all purposes of this Indenture, be deemed to have been actually deposited with the Trustee and to be paid by the Trustee to the Company pursuant to this Section 11.

Any property or rights received by the Company or MRPI in exchange for any property or rights released from the lien of this Indenture shall be and become subject to this Indenture.

Section 12. In no event shall any purchaser or purchasers of any property sold or disposed of under any provision of this Article Nine be required to see to the application of the purchase money.

Section 13. Anything herein contained to the contrary notwithstanding, the Trustee may take any action contemplated by this Article Nine, even if the Company is in default hereunder, but shall not be required to do so. In case the mortgaged premises shall be in the possession of a receiver or trustee lawfully appointed, the powers in and by this Article Nine conferred upon the Company or MRPI may be exercised by such receiver or trustee with the approval of the Trustee, and if the Trustee shall be in possession of the mortgaged premises under any provision of this Indenture, then all the powers of this Article Nine conferred upon the Company or MRPI may be exercised by the Trustee in its discretion. In case of the exercise of said powers by a receiver or trustee, such receiver or trustee shall deliver to the Trustee, and the Trustee may accept and rely upon, in lieu of the certificates and opinions by this Article Nine required to be delivered to the Trustee by the Company, appropriate orders of court, affidavits of such receiver or trustee and opinions of counsel to such receiver or trustee.

Section 14. Any property which shall be subject to the lien of a Prior Lien Indenture shall automatically be released from the lien of this Indenture without any act or instrument of release by the Trustee if the same shall be released by the trustee or trustees of such Prior Lien Indenture otherwise than by satisfaction and discharge of such Prior Lien Indenture. The Company shall in each such case deliver to the Trustee, if requested by the Trustee, an opinion of counsel of the Company that such property is, or was prior to its release, subject to a Prior Lien Indenture (which Prior Lien Indenture shall be specified in such opinion) and a certificate of the trustee or trustees under such Prior Lien Indenture that such property has been released therefrom otherwise than by satisfaction and discharge of such Prior Lien Indenture or a copy of said release. Anything herein contained to the contrary notwithstanding, the Trustee shall execute a confirmatory release from the lien of this Indenture of any property subject to a Prior Lien Indenture upon receipt of the written request of the Company and of such opinion of counsel and such certificate or copy. In any case to which this Section 14 applies, the Company shall not be required to comply with any provision of this Article Nine, except this Section 14.

Section 15. From time to time, the Company or MRPI, subject to the conditions and limitations of this Article Nine prescribed and not otherwise, shall have the right to make leases or licenses of, or to grant any trackage rights upon, any of the lines of railroad, real estate or other property, or rights and interests in property, which are subject to this Indenture, or to enter into any contract affecting the same, on such terms that the rights of the lessee, licensee or holder of such trackage or contract rights under such lease, license, trackage rights or contract shall be superior to the lien of this Indenture, provided

(a) that the Company or MRPI is not thereby prevented from maintaining and operating its continuous or connecting lines of railroad referred to in Section 2 of this Article Nine, or

(b) that in the judgment of the Board of Directors, evidenced by a certified resolution delivered to the Trustee, such transaction will not materially adversely affect the security for the Bonds or the interest of the holders thereof, and

(c) that it shall no longer be necessary or expedient to retain such lines of railroad, real estate or other property or rights or interest in property for the operation, maintenance or use of the lines of railroad subject to this Indenture, or for use in the business of the Company,

and the Trustee, upon the delivery to it of the opinion and certificates required by Section 10 of this Article Nine, shall do all acts requisite on its part to subordinate the lien of this Indenture to any lease, license, trackage rights or contract so made and to any license, trackage rights or contract interest created thereby. The interest of the Company or MRPI in said leases, licenses, trackage rights and contracts, and any rental or other compensation to be received by it thereunder and any reciprocal leases, licenses, trackage rights, contracts or other benefits obtained by the Company or MRPI in consideration therefor or in connection therewith shall be assigned to the Trustee under this Indenture and shall be subject hereto. If and to the extent that any such rental or other compensation shall be payable in installments during the term of the transaction, such installments, in case, but only in case, an event of default shall have happened, and during the continuance of such event of default, shall, unless required to be paid to the trustee under some Prior Lien Indenture upon the subject property, be payable to the Trustee. If and to the extent that any such rental or compensation is payable otherwise than in installments, the same shall be deposited in accordance with Section 11 of this Article Nine; provided, however, that if the term of any such transaction shall be 21 years or less, the Company shall be entitled, if no event of default shall have happened and be continuing, to receive from the Trustee on its written request

(a) at the end of one year after the payment of any moneys to the Trustee under this Section 15, and at the end of each period of one year thereafter, until the expiration of the term of the transaction

in respect of which such moneys were paid, if and to the extent that the moneys paid to the Trustee in respect of such transaction or other moneys deposited with the Trustee are held by the Trustee, an amount equal to the quotient obtained by dividing the amount so paid to the Trustee by the number of years (treating any fraction of a year as a whole year) included in the original term of such transaction, and

(b) at the termination of such transaction, from any moneys then or thereafter held by the Trustee the balance of the moneys paid to it in respect of such transaction.

From time to time, the Company may, after delivery by it to the Trustee of the opinion and certificates required by Section 10 of this Article Nine, permit MRPI or any Controlled Company to make leases or licenses of, or to grant trackage rights upon, any of its lines of railroad, real estate or other railroad property, or rights and interests in such property, if such property is Excepted Property or if it shall no longer be necessary or expedient to retain the same for the operation, maintenance or use of the lines of railroad subject, or a lease interest in which is subject, to this Indenture or for use in the business of the Company or MRPI or such Controlled Company and the Trustee, upon delivery to it of the opinion and certificates required by Section 10 of this Article Nine, shall do all acts requisite on its part to permit the consummation of such lease.

Section 16. The Trustee may consent to or join in any action by the trustee or trustees of any Prior Lien Indenture under which stocks or bonds pledged or assigned hereunder shall be pledged or assigned which the Trustee by the terms of this Article Nine would be authorized to take if such stocks and bonds were pledged with the Trustee hereunder.

Section 17. The Company or MRPI or any Controlled Company may from time to time dispose of tax benefits, which may be effected, without limitation, by means of sale, lease or other disposition, effective only for tax purposes, of its property or any portion thereof or interest therein (herein referred to as a "Tax Lease"). Any such disposition of property subject to the lien of this Indenture may be by means of an instrument to which this Indenture is subject and subordinate, in which case the Company or MRPI shall deposit with the Trustee pursuant to Section 11 of Article Nine cash equal to the aggregate amounts of the rents, proceeds or other consideration receivable other than in installments by the Company or MRPI in connection with such Tax Lease. Such deposits may be withdrawn in the same manner as deposits under Section 15 of this Article Nine. In the case of any other disposition under this Section 17, the Company, MRPI and such Controlled Company shall not be required to make any deposit or to account to the Trustee for the proceeds.

Section 18. Except as otherwise provided in the last sentence of this paragraph, the certification by the Company or MRPI that any property or interest therein (i) may be conveyed, transferred, assigned, granted, leased or otherwise disposed of, free from or in priority to the lien of this Indenture, or (ii) will be or has been automatically released from the lien of this Indenture upon release thereof from the lien of a Prior Lien

Indenture, pursuant to Sections 8, 9, 14, 15 or 17 of this Article Nine, shall conclusively protect the grantee, transferee, assignee or lessee against any claim based upon the lien of this Indenture and shall be binding upon the Trustee and the bondholders. No third party accepting any such instrument containing any such certification from the Company or MRPI shall be required to inquire whether the provisions of said Sections have been complied with. Nothing contained in the preceding two sentences shall, however, relieve any person of liability for its fraud or wilful misconduct.

Nevertheless, the Trustee shall, if the Company or MRPI shall so request, execute and deliver confirmatory releases, instruments of subordination or certificates evidencing that the property or interest so conveyed, transferred, assigned, granted or otherwise disposed of or leased is free from or prior to the lien of this Indenture upon compliance with Section 14 of this Article Nine or upon the delivery to the Trustee of a certificate describing in reasonable detail such property or interest and setting forth facts showing to the Trustee's reasonable satisfaction that such property or interest therein has been conveyed, transferred, assigned, granted, leased or otherwise disposed of in accordance with the provisions of Sections 8, 9, 15 or 17 of this Article Nine, as the case may be.

ARTICLE TEN.

Concerning the Trustee.

The Trustee accepts the trusts hereunder and agrees to perform the same, but only upon the terms and conditions hereof, including the following, to all of which the Company and the respective holders of the Bonds at any time outstanding by their acceptance thereof agree.

Section 1. The Trustee undertakes, except while an event of default shall have occurred and be continuing, to perform such duties and only such duties as are specifically set forth in this Indenture, and, while an event of default shall have occurred and be continuing, to exercise such of the rights and power as are vested in it by this Indenture, and to use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Section 2. No term of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(a) unless an event of default shall have occurred and be continuing, the Trustee shall not be liable except for the performance of such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee, but the duties and obligations of the Trustee shall be determined solely by the express terms of this Indenture;

(b) unless an event of default shall have occurred and be continuing, in the absence of bad faith on its part, the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the

requirements of this Indenture, but in the case of any instrument specifically required by this Indenture, the Trustee will examine the same to determine whether or not such instruments conform to the requirements of this Indenture;

(c) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(d) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any direction or request of the holders of not less than a majority in principal amount of the Bonds at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(e) none of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any personal financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if there shall be reasonable ground for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 3. Except as otherwise provided in Sections 1 and 2 of this Article Ten, the Trustee shall not be under any obligation to take any action or make any investigation in respect of the subject matter of this Indenture or any indenture supplemental hereto unless requested in writing so to do by the holders of not less than 10% in principal amount of the Bonds at the time outstanding, provided such holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities which might be incurred by it in compliance with such request.

Section 4. Except as otherwise provided in Sections 1 and 2 of this Article Ten,

(a) the Trustee may rely and shall be protected in acting upon any notice, request, consent, certificate, Bond, resolution, appraisal, report or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties; and

(b) the Trustee may consult with counsel (who may be counsel to the Company) and the written advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the written advice or opinion of such counsel.

Section 5. (a) The recitals and statements contained herein and in the Bonds, except the Trustee's authentication certificate, shall be taken as the recitals and statements of the Company, and the Trustee assumes no

responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any indenture supplemental hereto, or of the Bonds issued hereunder, or as to the security hereby or thereby afforded, or as to the title of the Company or MRPI to the trust estate or as to the descriptions thereof. The Trustee makes no representations as to the validity, value or condition of any property subject to the lien of this Indenture or any part thereof, or as to the title of the Company or MRPI thereto or the security afforded thereby or hereby, and the Trustee shall not be responsible for or in respect of any of such matters.

(b) The Trustee shall not be accountable for the use or application by the Company of any of the Bonds authenticated or delivered hereunder or of the proceeds thereof.

(c) The Trustee may execute any of the powers or trusts hereof and perform any duty hereunder either directly or by or through its agents or attorneys and shall not be answerable for the default or misconduct of any agent or attorney (other than an agent or attorney regularly employed by the Trustee) appointed by it in pursuance hereof if such agent or attorney shall have been selected with reasonable care.

(d) Notwithstanding anything herein contained to the contrary, the Trustee shall not at any time be under any obligation to take any action which is discretionary with it under the provisions hereof except on written request by the holders of a majority (or such other percentage of Bonds as may be prescribed in any particular instance) in principal amount of the Bonds at the time outstanding, **provided**, that nothing herein shall be construed as impairing the right of the Trustee at any time to exercise any discretionary power hereunder without the consent or request of any bondholder.

(e) Notwithstanding anything herein contained to the contrary, the Trustee shall not be required to take notice or be deemed to have notice or knowledge of any default (except default in the payment of moneys to the Trustee which the Company is required to pay to the Trustee on or before a specified date or within a specified time after receipt by the Trustee of a notice or certificate which was in fact received), unless the Trustee shall receive (in its capacity as Trustee, and not individually) from the Company or the holders of at least 5% of the aggregate principal amount of Bonds then outstanding a written notice stating that a default hereunder has occurred and specifying such default, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default, except as aforesaid.

Section 6. Whenever, in the administration of the trusts created by this Indenture, the Trustee shall consider it necessary or desirable that any matter be proved or established prior to its taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed), may, subject to Sections 1 and 2 of this Article Ten, be deemed to be conclusively proved and

established by an Officers' Certificate delivered by the Company to the Trustee, and, subject as aforesaid, such Officers' Certificate shall be full warrant and authority to the Trustee for any action taken, suffered or omitted by it under this Indenture in reliance thereon.

However, the Trustee in its discretion may, and if requested in writing so to do by the holders of not less than 10% in principal amount of the Bonds at the time outstanding and furnished with security and indemnity against the costs and expenses thereof as required by Section 3 of this Article Ten shall, require such further and additional evidence and make such further investigation as it may consider reasonable.

The agents and representatives of the Trustee and any experts or counsel whose opinions are required by the Trustee for any purpose hereunder or are deliverable to the Trustee under any terms hereof shall likewise be fully warranted in relying and acting upon the existence of any matters proved or established by any such Officers' Certificate, unless other evidence proving or establishing such matters be specifically required by this Indenture.

Section 7. The Company will from time to time, on demand, pay to the Trustee such compensation (which shall not be limited by any provision of law in regard to the compensation of a Trustee for an express trust) for its services hereunder as shall be agreed to by the Company and it, or, in the absence of such agreement, reasonable compensation for such services and pay (or reimburse it for) all of its reasonable expenses, disbursements and advances hereunder, including, without limiting the generality of the foregoing, all reasonable compensation, expenses and disbursements of such agents, attorneys and experts as it may employ in connection with the exercise and performance of its powers and duties hereunder.

The Company will also indemnify and save the Trustee harmless against any losses or liabilities, including the costs and expenses of defending itself, not arising from its own default or negligence, which it may incur in the exercise, performance or non-performance of its powers and duties hereunder.

As security for such compensation, expenses, disbursements and indemnification, the Trustee shall have the benefit of the lien hereby created in priority to the indebtedness evidenced by the Bonds.

Section 8. (a) Subject to Section 9 of Article Two hereof (relating to investments), all moneys received by the Trustee under or pursuant to any term of this Indenture or any supplemental indenture (including any moneys received by the Trustee as paying agent) shall constitute trust funds for the purpose for which they were paid or are held, but need not be segregated in any manner from any other moneys and may be deposited by the Trustee under such conditions as may be prescribed by law for trust funds.

(b) The Trustee shall allow and (unless, to the knowledge of the Trustee, an event of default shall have occurred and be continuing) shall pay over to the Company such interest, if any, upon such moneys received by

it as shall be agreed upon from time to time between the Company and the Trustee.

Section 9. If the Trustee has or shall acquire any conflicting interest as defined in this Section 9, it shall, within 90 days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign, such resignation to become effective upon the appointment of a successor trustee and upon the successor's acceptance of such appointment, and the Company shall take prompt steps to have a successor appointed in the manner provided in Section 11 of this Article Ten. For the purposes of this Section 9, the Trustee shall be deemed to have a conflicting interest if

(a) the Trustee is trustee under another indenture under which any other securities, or certificates of interest or participation in other securities, of the Company are outstanding, unless such other indenture is a collateral trust indenture under which the only collateral consists of Bonds issued and outstanding under this Indenture, **provided, however,** that there shall be excluded from the operation of this paragraph (a) any other indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Company are outstanding, if the Company shall have sustained the burden of proving, on application to the Securities and Exchange Commission and after opportunity for hearing thereon, that trusteeship under this Indenture and under such other indenture is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under one of such indentures;

(b) the Trustee or any of its directors or executive officers is an obligor upon the Bonds or an underwriter for the Company;

(c) the Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control with the Company or an underwriter for the Company;

(d) the Trustee or any of its directors or executive officers is a director, officer, partner, employee, appointee, or representative of the Company or of an underwriter (other than such Trustee itself) for the Company who is currently engaged in the business of underwriting, except that (A) one individual may be a director and/or an executive officer of the Trustee and also a director and/or an executive officer of the Company, but may not be at the same time an executive officer both of the Trustee and of the Company, and (B) if and so long as the number of directors of the Trustee in office is more than nine, one additional individual may be a director and/or an executive officer of the Trustee and a director of the Company, and (C) the Trustee may be designated by the Company or by any underwriter for the Company, to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent, or depository, or in any other similar capacity, or, subject to the provisions of paragraph (a) of this Section 9, to act as trustee, whether under an indenture or otherwise;

(e) 10% or more of the voting securities of the Trustee is beneficially owned either by the Company or by any director, partner or executive officer of the Company, or 20% or more of such voting securities is beneficially owned, collectively, by any two or more of such persons; or 10% or more of the voting securities of the Trustee is beneficially owned either by an underwriter for the Company or by any director, partner or executive officer of any such underwriter, or is beneficially owned, collectively, by any two or more such persons;

(f) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default as hereinafter in this Section 9 defined, (A) 5% or more of the voting securities, or 10% or more of any other class of security, of the Company, not including Bonds issued under this Indenture and securities issued under any other indenture of the Company under which the Trustee is also trustee, or (B) 10% or more of any class of security of any underwriter for the Company;

(g) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default as hereinafter in this Section 9 defined, 5% or more of the voting securities of any person who, to the knowledge of the Trustee, owns 10% or more of the voting securities of, or controls directly or indirectly or is under direct or indirect common control with, the Company;

(h) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default as hereinafter in this Section 9 defined, 10% or more of any class of security of any person who, to the knowledge of the Trustee, owns 50% or more of the voting securities of the Company; or

(i) the Trustee owns, on May 15 in any calendar year, in the capacity of executor, administrator, testamentary or inter-vivos trustee, guardian, committee or conservator, or in any other similar capacity, an aggregate of 25% or more of the voting securities, or of any class of security, of any person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraph (f), (g) or (h) of this Section 9. As to any of such securities of which the Trustee acquired ownership through becoming executor, administrator or testamentary trustee of an estate which included them, the provisions of the preceding sentence shall not apply for a period of not more than two years from the date of such acquisition, to the extent that such securities included in such estate do not exceed 25% of such voting securities or 25% of any such class of security. Promptly after May 15 in each calendar year, the Trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of such May 15. If the Company fails to make payment in full of principal or interest upon the Bonds when and as the same becomes due and payable, and such failure continues for thirty days thereafter, the Trustee shall make a prompt check of its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such thirty-day period, and after such date, notwithstanding the foregoing provisions of this paragraph (i), all such securities so held by the Trustee, with sole or

joint control over such securities vested in it, shall, but only so long as such failure shall continue, be considered as though beneficially owned by the Trustee, for the purposes of paragraphs (f), (g) and (h) of this Section 9.

The specification of percentages in paragraphs (e) to (i), inclusive, of this Section 9 shall not be construed as indicating that the ownership of such percentages of the securities of a person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of paragraphs (c) or (g) of this Section 9.

For the purposes of paragraphs (f), (g), (h) and (i) of this Section 9, (A) the terms "security" and "securities" shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a person by one or more banks, trust companies, or banking firms, or any certificate of interest or participation in any such note or evidence of indebtedness; (B) an obligation shall be deemed to be in default when a default in payment of principal shall have continued for 30 days or more, and shall not have been cured; and (C) the Trustee shall not be deemed the owner or holder of (i) any security which it holds as collateral security (as trustee or otherwise) for an obligation which is not in default as defined in clause (B) above, or (ii) any security which it holds as collateral security under this Indenture, irrespective of any default hereunder, or (iii) any security which it holds as agent for collection, or as a custodian, escrow agent or depository, or in any similar representative capacity.

For the purposes of this Section 9:

(1) The term "underwriter" when used with reference to the Company shall mean every person who, within three years prior to the time as of which the determination is made, has purchased from the Company with a view to, or has offered or has sold for the Company in connection with, the distribution of any security of the Company outstanding at such time, or has participated or has had a direct or indirect participation in any such undertaking, or has participated or has had a participation in the direct or indirect underwriting of any such undertaking, but such terms shall not include a person whose interest was limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission.

(2) The term "director" shall mean any director of a corporation or any individual performing similar functions with respect to any organization whether incorporated or unincorporated.

(3) The term "person" shall mean an individual, a corporation, a partnership, an association, a joint-stock company, a trust, an unincorporated organization, or a governmental or political subdivision thereof. As used in this paragraph (3), the term "trust" shall include only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

(4) The term "voting security" shall mean any security presently entitling the owner or holder thereof to vote in the direction or management of the affairs of a person, or any security issued under or pursuant to any trust, agreement or arrangement whereby a trustee or trustees or agent or agents for the owner or holder of such security are presently entitled to vote in the direction or management of the affairs of a person.

(5) The term "Company" shall mean any obligor upon the Bonds.

(6) The term "executive officer" shall mean the president, every vice president, every trust officer, the cashier, the secretary, and the treasurer of a corporation, and any individual customarily performing similar functions with respect to any organization whether incorporated or unincorporated, but shall not include the chairman of the board of directors.

The percentages of voting securities and other securities specified in this Section 9 shall be calculated in accordance with the following provisions:

(A) A specified percentage of the voting securities of the Trustee, the Company or any other person referred to in this Section 9 (each of whom is referred to as a "person" in this paragraph) means such amount of the outstanding voting securities of such person as entitles the holder or holders thereof to cast such specified percentage of the aggregate votes which the holders of all the outstanding voting securities of such person are entitled to cast in the direction or management of the affairs of such person.

(B) A specified percentage of a class of securities of a person means such percentage of the aggregate amount of securities of the class outstanding.

(C) The term "amount", when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to capital shares, and the number of units if relating to any other kind of security.

(D) The term "outstanding" means issued and not held by or for the account of the issuer. The following securities shall not be deemed outstanding within the meaning of this definition:

(i) securities of an issuer held in a sinking fund relating to securities of the issuer of the same class;

(ii) securities of an issuer held in a sinking fund relating to another class of securities of the issuer, if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(iii) securities pledged by the issuer thereof as security

for an obligation of the issuer not in default as to principal or interest or otherwise; and

(iv) securities held in escrow if placed in escrow by the issuer thereof;

provided, however, that any voting securities of an issuer shall be deemed outstanding if any person other than the issuer is entitled to exercise the voting rights thereof.

(E) A security shall be deemed to be of the same class as another security if both securities confer upon the holder or holders thereof substantially the same rights and privileges, **provided, however,** that in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences in the interest rates or maturity dates of various series thereof shall not be deemed sufficient to constitute such series different classes, and **provided, further,** that, in the case of unsecured evidences of indebtedness, differences in the interest rates or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

Section 10. The Trustee hereunder shall at all times be a corporation organized and doing business under the laws of the United States or of any State or of the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least five million dollars, subject to supervision or examination by Federal, State or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 10, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 10, then the Trustee shall resign immediately, such resignation to become effective upon the appointment of a successor Trustee and such successor's acceptance of such appointment. If the Trustee shall fail or refuse to resign in such event, or if, after the provisions of Section 9 of this Article Ten shall have become effective, the Trustee has or shall acquire any conflicting interest of the character specified in said Section 9 and shall fail or refuse either to eliminate such conflicting interest or to resign within the period provided in respect of such resignation, then in either such event (i) the Trustee shall, within 10 days after the expiration of said period, transmit notice of such failure or refusal to the bondholders in the manner and to the extent provided in paragraph (c) of Section 15 of this Article Ten; and (ii) any bondholder, who has been the bona fide holder of a bond for at least six months, may, subject to the provisions of Section 25 of Article Six hereof, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor, if such Trustee fails, after written request therefor by such bondholder, to comply with the provisions of this Section 10 or said Section 9.

Section 11. The Trustee may resign and be discharged from the trusts created by this Indenture by giving notice of such resignation to the Company specifying the date (not earlier than 15 days after the giving of such notice) when such resignation shall take effect, and by giving notice thereof to the bondholders in the manner and to the extent provided in paragraph (c) of Section 15 of this Article Ten. Except as otherwise provided in Section 9 of this Article Ten, such resignation shall take effect on the date specified in such notice unless previously a successor Trustee shall have been appointed as hereinafter provided, in which event such resignation shall take effect upon the appointment of such successor.

The Trustee may be removed at any time by an instrument or instruments in writing delivered to the Trustee and to the Company, and a successor may be appointed by an instrument or instruments in writing delivered to such successor and to the Company, in either case executed by the holders of at least a majority in principal amount of Bonds at the time outstanding or by their duly authorized attorneys-in-fact; but, until a successor shall be appointed by the bondholders or a court of competent jurisdiction as herein authorized, the Company, by an instrument executed by order of its Board of Directors, and delivered to such successor, shall (or, in the case all or substantially all of the trust estate shall be in possession or one or more receivers, trustees, custodians, liquidators or assignees for the benefit of creditors, then such receivers, trustees, custodians, liquidators or assignees, by an instrument in writing delivered to such successor, may) appoint a successor to fill the vacancy. No successor to the Trustee shall be so appointed by the bondholders, by a court of competent jurisdiction or by the Company who is not eligible as provided in Section 10 of this Article Ten.

If in a proper case no appointment of a successor shall be made pursuant to the foregoing provisions of this Article Ten within 60 days after a vacancy shall have occurred, the holder of any Bond or the retiring Trustee may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor.

Section 12. (a) Any successor to the Trustee appointed hereunder shall execute, acknowledge and deliver to the Company and its or his predecessor an instrument accepting such appointment, and thereupon such successor, without any further act, deed, conveyance or transfer, shall become vested with the title to the trust estate, and with all the rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named as Trustee herein.

(b) Upon the request of such successor, however, the Company and the Trustee ceasing to act shall execute and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the Trustee ceasing to act in and to the trust estate and all such rights, powers, trusts, duties and obligations, and the Trustee ceasing to act shall also assign and deliver to the successor any property subject to the lien of this Indenture which may then be in its possession.

(c) Any Trustee which has resigned or been removed shall nevertheless retain the lien upon the trust estate (securing amounts due to it for compensation, expenses, disbursements and indemnity) afforded to it by Section 7 of this Article Ten.

(d) The Company shall promptly give notice of the appointment of each such successor Trustee to the bondholders in the manner and to the extent provided in paragraph (c) of Section 15 of this Article Ten.

Section 13. Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any state or national bank or trust company in any manner succeeding to the corporate trust business of the Trustee as a whole or substantially as a whole, if eligible as provided in Section 10 of this Article Ten, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything to the contrary contained herein notwithstanding.

In case any of the Bonds shall have been authenticated but not delivered, any such successor Trustee may adopt the authentication certificate of the Trustee and deliver the same so authenticated; and in case any of the Bonds shall not have been authenticated, any such successor Trustee may authenticate such Bonds in the name of such successor Trustee.

Section 14. (a) Subject to the provisions of paragraph (b) of this Section 14, if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company within four months prior to a default, as defined in paragraph (c) of this Section 14, or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the holders of the Bonds and the holders of other indenture securities (as defined in paragraph (c) of this Section 14),

(1) An amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such four months' period and valid as against the Company and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in subparagraph (2) of this paragraph (a) or from the exercise of any right of set-off which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Company upon the date of such default; and

(2) all property received by the Trustee in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such four months' period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Company and its other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee

(A) to retain for its own account (i) payments made on account of any such claim by any person (other than the Company) who is liable thereon; and (ii) the proceeds of the bona fide sale of any such claim by the Trustee to a third person, and (iii) distributions made in cash, securities, or other property in respect of claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the National Bankruptcy Act or applicable State law;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such four months' period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such four months' period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee had no reasonable cause to believe that a default as defined in paragraph (c) of this Section 14 would occur within four months; or

(D) to receive payment on any claim referred to in subparagraph (B) or (C) of this paragraph (a), against the release of any property held as security for such claim as provided in such subparagraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purpose of subparagraphs (B), (C) and (D) of this paragraph (a), property substituted after the beginning of such four months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released and, to the extent that any claim referred to in any of such subparagraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any preexisting claim of the Trustee as such creditor, such claim shall have the same status as such preexisting claim.

If the Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned between the Trustee, the bondholders and the holders of other indenture securities in such manner that the Trustee, the bondholders and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the National Bankruptcy Act or applicable State law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Company of the funds and property in such special account and before crediting to the respective claims of the Trustee, the bondholders and the holders of other indenture securities dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization

pursuant to the National Bankruptcy Act or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or in proceedings for reorganization pursuant to the National Bankruptcy Act or applicable State law, whether such distribution is made in cash, securities, or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership, or proceeding for reorganization is pending shall have jurisdiction (i) to apportion between the Trustee, the bondholders and the holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and the proceeds thereof, or (ii) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee, the bondholders and the holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee who has resigned or been removed after the beginning of such four months' period shall be subject to the provisions of this paragraph (a) as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such four months' period, it shall be subject to the provisions of this paragraph (a) if and only if the following conditions exist:

(i) the receipt of property or reduction or claim which would have given rise to the obligation to account, if such Trustee had continued as trustee, occurred after the beginning of such four months' period; and

(ii) such receipt of property or reduction of claim occurred within four months after such resignation or removal.

(b) There shall be excluded from the operation of paragraph (a) of this Section 14 a creditor relationship arising from

(1) the ownership or acquisition of securities issued under any indenture, or any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by this Indenture, for the purpose of preserving any property which shall at any time be subject to the lien of this Indenture or of discharging tax liens or other prior liens or

encumbrances thereon, if notice of such advances and of the circumstances surrounding the making thereof is given to the bondholders at the time and in the manner provided in this Indenture;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depositary, or other similar capacity;

(4) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in paragraph (c) of this Section 14;

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company; or

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances, or obligations which fall within the classification of self-liquidating paper as defined in paragraph (c) of this Section 14.

(c) As used in this Section 14:

(1) The term "default" shall mean any failure to make payment in full of the principal of or interest upon any of the Bonds or upon the other indenture securities when and as such principal or interest becomes due and payable.

(2) The term "other indenture securities" shall mean securities upon which the Company is an obligor (as defined in the Trust Indenture Act of 1939) outstanding under any other indenture (A) under which the Trustee is also a trustee, (B) which contains provisions substantially similar to the provisions of paragraph (a) of this Section 14, and (C) under which a default exists at the time of the apportionment of the funds and property held in said special account.

(3) The term "cash transaction" shall mean any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand.

(4) The term "self-liquidating paper" shall mean any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company for the purpose of financing the purchase, processing, manufacture, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of goods, wares or merchandise previously constituting the security, **provided** the security

is received by the Trustee simultaneously with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

(5) The term "Company" shall mean any obligor upon the Bonds.

Section 15. (a) The Trustee shall transmit on or before July 15 in each year and so long as any Bonds are outstanding hereunder, to the bondholders, as hereinafter provided, a brief report dated as of May 15 of such year, with respect to:

(1) its qualifications and eligibility under Sections 9 and 10 of this Article Ten, or in lieu thereof, if to the best of its knowledge it has continued to be qualified and eligible under such Sections 9 and 10, a written statement to such effect;

(2) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee, as such, which remain unpaid on the date of such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Bonds, on the trust estate or on property or funds held or collected by it as Trustee, if such advances so remaining unpaid aggregate more than 1/2 of 1% of the principal amount of the Bonds outstanding on the date of such report;

(3) the amount, interest rate and maturity date of all other indebtedness owing by the Company (or any other obligor upon the Bonds) to the Trustee in its individual capacity, on the date of such report, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising in any manner described in subparagraphs (2), (3), (4) or (6) of paragraph (b) of Section 14 of this Article Ten;

(4) the property and funds physically in its possession as Trustee, as such Trustee, or of a depository for it, on the date of such report;

(5) any release, or release and substitution, of property subject to the lien of this Indenture (and the consideration therefor, if any) which it has not previously reported; **provided, however,** that to the extent that the aggregate value as shown by the release papers of any or all of such released properties does not exceed an amount equal to 1% of the principal amount of Bonds then outstanding, the report need only indicate the number of such releases, the total value of property released as shown by the release papers, the aggregate amount of cash received and the aggregate value of property received in substitution therefor as shown by the release papers;

(6) any additional issue of Bonds hereunder which it has not previously reported; and

(7) any action taken by the Trustee in the performance of its

duties under this Indenture which it has previously reported and which in its opinion materially affects the Bonds or the trust estate, except action in respect of a default, notice of which has been or is to be withheld by the Trustee in accordance with Section 2 of Article Six hereof.

(b) The Trustee shall, so long as any Bonds shall be outstanding hereunder, also transmit to the bondholders, as hereinafter provided, within the times hereinafter specified a brief report with respect to

(1) the release, or release and substitution, of property subject to the lien of this Indenture (and the consideration therefor, if any) unless the fair value of such property, as set forth in the engineer's certificate required in connection with any release or substitution hereunder, is less than 10% of the principal amount of the Bonds outstanding at the time of such release, or such release and substitution, such report to be so transmitted within 90 days after such time; and

(2) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee, as such, since the date of the last report transmitted pursuant to the provisions of paragraph (a) of this Section 15 (or if no such report has been so transmitted, since the date of execution of this Indenture), for the reimbursement of which it claims or may claim a lien or charge prior to that of the Bonds, on the trust estate or on property or funds held or collected by the Trustee, as such, and which it had not previously reported pursuant to this subparagraph (2), if such advances remaining unpaid at any time aggregate more than 10% of the principal amount of Bonds outstanding at such time, such report to be so transmitted within 90 days after such time.

(c) All reports required by this Section 15, and all other reports or notices which are required by any other provision of this Indenture to be transmitted in accordance with the provisions of this paragraph (c), shall be transmitted by mail:

(1) to all registered owners of Bonds, as the names and addresses of such owners appear upon the registration books of the Company;

(2) to such holders of Bonds as have, within the two years preceding such transmission, filed their names and addresses with the Trustee for that purpose; and

(3) except in the case of reports pursuant to paragraph (b) of this Section 15, to all holders of Bonds whose names and addresses are preserved at the time by the Trustee, as provided in paragraph (a) of Section 16.

(d) The Trustee shall, at the time of the transmission to the bondholders of any report or notice pursuant to this Section 15, file a copy thereof with each stock exchange, if any, upon which the Bonds are listed and with the Securities and Exchange Commission. Upon the listing of the

Bonds or any series thereof upon any stock exchange, the Company will so advise the the Trustee.

Section 16. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the holders of Bonds (1) contained in the most recent list furnished to it as provided in paragraph (d) of Section 4 of Article Four hereof, (2) received by it in the capacity of paying agent hereunder, and (3) filed with it within two preceding years by holders of Bonds for the purpose of receiving reports pursuant to the provisions of subparagraph (2) of paragraph (c) of Section 15 of this Article Ten.

The Trustee may (1) destroy any list furnished to it as provided in paragraph (d) of Section 4 of Article Four hereof upon receipt of a new list so furnished, (2) destroy any information received by it as paying agent upon delivering to itself as Trustee, not earlier than 45 days after an interest payment date of the Bonds, a list containing the names and addresses of the holders of Bonds obtained from such information since the delivery of the next previous list, if any, (3) destroy any list delivered to itself as Trustee which was compiled from information received by it as paying agent upon the receipt of a new list so delivered, and (4) destroy any information filed with it by holders of Bonds for the purpose of receiving reports pursuant to the provisions of subparagraph (2) of paragraph (c) of Section 15 of this Article Ten, but not until two years after such information has been filed with it.

(b) Within five business days after receipt by the Trustee of a written application by any three or more bondholders stating that the applicants desire to communicate with other bondholders with respect to their rights under this Indenture or under the Bonds, and accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, and by reasonable proof that each such applicant has owned a Bond or Bonds for a period of at least six months preceding the date of such application, the Trustee shall, at its election, either (1) afford to such applicants access to the information preserved at the time by the Trustee in accordance with the provisions of paragraph (a) of this Section 16 or (2) inform such applicants as to the approximate number of bondholders whose names and addresses appear in the information preserved at the time by the Trustee in accordance with the provisions of paragraph (a) of this Section 16, and as to the approximate cost of mailing to the bondholders the form of proxy or other communication, if any, specified in such application. If the Trustee shall elect not to afford to such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to all bondholders whose names and addressees appear in the information preserved at the time by the Trustee in accordance with the provisions of paragraph (a) of this Section 16 copies of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and the payment, or provision for the payment, of the reasonable expenses of such mailing, unless within five days after such tender, the Trustee shall mail to such applicants, and file with the Securities and Exchange Commission, together with a copy of the material to be mailed a written statement to the effect that, in the opinion of the

Trustee, such mailing would be contrary to the best interests of the bondholders or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If said Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, said Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all such bondholders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Each and every holder of the Bonds, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor any paying agent nor any Bond registrar nor the Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addressees of the bondholders in accordance with the provisions of paragraph (b) of this Section 16, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of the mailing of any material pursuant to a request made under paragraph (b) of this Section 16.

Section 17. The Trustee or any paying agent or any corporation in or with which such party or its stockholders may be interested or affiliated or any officer or director of such party or of such corporation may acquire and hold Bonds and otherwise deal with the Company, or any other corporation having relations with the Company, to the full extent permitted by law; subject, however, to the provisions of Section 9, 14 and 15 of this Article Ten.

Section 18. (a) At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any part of the trust estate may at the time be located, the Company and the Trustee shall have power to appoint, and, upon the written request of the Trustee or of the holders of at least 10% in principal amount of the Bonds at the time outstanding, the Company shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more persons approved by the Trustee either to act as co-trustee, or co-trustees, jointly with the Trustee, of all or any part of the trust estate, or to act as separate trustee or trustees of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons, in such capacity, any property, title, right or power deemed necessary or desirable, subject to the remaining terms of this Section 18. If the Company shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, or in case an event of default shall have occurred and shall be continuing, the Trustee alone shall have power to make such appointment.

The Company shall execute, acknowledge and deliver all such instruments as may be required by any such separate trustee or co-trustee for more fully confirming such property, title, right or power to such separate trustee or co-trustee.

(b) Every separate trustee or co-trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(i) The Bonds shall be authenticated and delivered, and all powers, duties, obligations and rights hereunder in respect of the custody of cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised, solely by the Trustee.

(ii) The rights, powers, duties and obligations hereby conferred or imposed upon the trustees or any of them shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such separate trustee or separate trustees or co-trustee or co-trustees jointly, as shall be provided in the instrument appointing such separate trustee or separate trustees or co-trustee or co-trustees, except to the extent that under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such separate trustee or separate trustees or co-trustee or co-trustees.

(iii) The Trustee at any time, by an instrument in writing, with the concurrence of the Company evidenced by a certified resolution, may accept the resignation of or remove any separate trustee or co-trustee appointed under this Section 18, and, in case an event of default shall have occurred and shall be continuing, the Trustee shall have power to accept the resignation of, or remove, any such separate Trustee or co-trustee without the concurrence of the Company. Upon the written request of the Trustee, the Company shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any separate trustee or co-trustee so resigned or removed may be appointed in the manner provided in this Section 18.

(iv) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

(v) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the bondholders delivered to the Trustee shall be deemed to have been delivered to each such separate trustee or co-trustee.

(c) Upon the acceptance in writing of such appointment by any such separate trustee or co-trustee, he or it shall be vested with the estates or property specified in the instrument of appointment jointly with the Trustee (except insofar as local law makes it necessary for any such separate trustee to act alone) subject to all the terms of this Indenture. Every such acceptance shall be filed with the Trustee. Any separate trustee or co-trustee may at any time, by an instrument in writing, constitute the Trustee its or his agent and attorney-in-fact, with full power and

authority to do all acts and things and to exercise all discretion on its or his behalf and in its or his name.

(d) In case any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all the estates, property, rights, powers, trusts, duties and obligations of said separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee without the appointment of a new Trustee as successor to such separate trustee or co-trustee.

Section 19. (a) The Trustee may in good faith comply with any rule, regulation or order of the Securities and Exchange Commission made pursuant to the terms and provisions of the Trust Indenture Act of 1939 and shall be fully protected in so doing notwithstanding that such rule, regulation or order may thereafter be amended or rescinded or determined by judicial or other authority to be invalid for any reason, but nothing herein contained shall require the Trustee to take any action or omit to take any action in accordance with such rule, regulation or order, except as in this Indenture otherwise required.

ARTICLE ELEVEN.

Possession Until Default - Discharge Clauses.

Section 1. Until some event of default shall have happened, the Company, MRPI and their successors and assigns, shall be suffered and permitted to retain actual possession of all the property subject to this Indenture (other than bonds, cash and other property assigned or pledged, or to be assigned or pledged, hereunder), and to manage, operate and use the same and every part thereof, with the rights and franchises appertaining thereto, and to collect, receive, take, use and enjoy the tolls, earnings, income, rents, issues and profits thereof (as well as, in the manner and to the extent elsewhere herein provided, of such bonds, cash and other property so assigned or pledged hereunder).

Section 2. Subject to Sections 3 and 4 of this Article Eleven, the Company may terminate all of its obligations under the Bonds and this Indenture with respect to the Bonds of any series if the Company irrevocably deposits in trust with the Trustee money or U.S. Government Obligations the payments of principal and interest on which when due (and without reinvestment and assuming no tax liability will be imposed on the Trustee) will provide cash at such times and in such amounts as will (together with any money irrevocably deposited in trust with the Trustee, without investment) be sufficient to pay principal (including principal due on any mandatory redemption) and interest when due on the Bonds of such series to maturity or redemption, as the case may be; **provided, however,** that such termination will not become effective until the later of the 91st day following such deposit and the first day on which there is not continuing any event of default described in Section 1(e) of Article Six (without giving effect to the period of time referred to therein); **provided further, however,** that such termination will not relieve the Company of its obligations under such Bonds and this Indenture to pay when due the principal of and interest on such Bonds if such Bonds are not paid (or

considered paid) when due from the money or U.S. Government Obligations (and the proceeds thereof) so deposited. If any such U.S. Government Obligations are callable at the option of the issuer, the proceeds which would be received upon the call thereof on each call date must be sufficient to pay the principal, premium, if any, and accrued interest on the Bonds of such series if redeemed on the earliest date on or after such call date on which redemption of the Bonds of such series would be permitted by the provisions of this Indenture.

Before or after a deposit, the Company will (if necessary) make arrangements satisfactory to the Trustee for the redemption of Bonds at a future date in accordance with Article Three (including any redemption required in order to satisfy any mandatory sinking fund obligation in respect of such Bonds).

Upon termination of the Company's obligations with respect to all Bonds of any series in accordance with this Section and notice by the Company to the Trustee, (a) the Trustee and each holder of the Bonds of such series shall cease to be entitled to any benefit or security under this Indenture with respect to the Bonds of such series and all the Trustee's rights and interest therein shall cease, terminate and become null and void and (b) the Trustee shall (i) acknowledge in writing the termination of the Company's obligations with respect to the Bonds of such series except for those surviving obligations specified in Section 3 of this Article Eleven, (ii) execute, deliver and file termination statements, releases and other instruments of satisfaction, release and discharge with respect to such security interests and (iii) assign, transfer and deliver to the Company all the Trustee's rights and interest in and to that portion of the trust estate so released.

Section 3. Notwithstanding any termination of any obligations of the Company in accordance with Section 2, the Company's obligations in Sections 7 and 8 of Article One, Sections 1, 2 and 4 of Article Four, Sections 7, 11 and 12 of Article Ten and Section 7 of this Article Eleven shall survive until there are no Bonds of the series outstanding. Thereafter, the Company's obligations in Section 7 of Article Ten and Section 7 of this Article Eleven shall survive.

Section 4. The Company shall not be entitled to deposit cash or U.S. Government Obligations with the Trustee and terminate its obligations with respect to any Bonds in accordance with Section 2 of this Article Eleven unless the Company shall have delivered to the Trustee an opinion of counsel to the effect that (i) the holders of such Bonds will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and termination and (ii) such holders (and future holders of such Bonds) will be subject to tax in the same manner as if such deposit and termination had not occurred.

Section 5. The Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to Section 2 of this Article Eleven and apply the deposited money and the money from U.S. Government Obligations through any paying agent and in accordance with this Indenture to the payment of principal and interest on the Bonds of each series (including amounts payable in respect of any mandatory sinking fund) in respect of which the deposit shall have been made.

Art. Eleven, Sec. 6 and 7

Art. Twelve, Sec. 1

Section 6. The Trustee and each paying agent shall promptly pay to the Company upon request any excess money or U.S. Government Obligations or other securities held by them at any time.

Section 7. The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

ARTICLE TWELVE.

Consolidation, Merger, Sale and Lease.

Section 1. Nothing in this Indenture or in any Bond shall prevent the Company from taking over the property of any company, or shall prevent the consolidation with the Company of any company, or shall prevent the merger into the Company of any company, or shall prevent any merger of the Company into any company, or shall prevent the reincorporation of the Company as a State or Federal corporation, or shall prevent the sale or lease by the Company of all or substantially all its railroad property (which may exclude Excepted Property) to any other company; provided that any such consolidation or merger or reincorporation or sale or lease shall be on such terms as to preserve and not to impair the lien or security of this Indenture or any of the rights and powers of the Trustee or of the holders of the Bonds; and provided that any such lease shall be made expressly subject to immediate termination by the Company or by the Trustee at any time upon the occurrence, and during the continuance, of an event of default hereunder, and also by the purchaser of the property so leased at any sale thereof hereunder, either under the power of sale hereby conferred or under judicial proceedings; and provided that any successor corporation formed by such consolidation or reincorporation, or the corporation into which the Company shall be merged, shall, as a part of such consolidation or merger or reincorporation, expressly assume the due and punctual payment of the principal of and premium, if any, and interest on all the Bonds and the performance of all the covenants and conditions of this Indenture, and shall execute and deliver to the Trustee a proper indenture in form satisfactory to the Trustee, whereby such successor corporation formed by such consolidation or reincorporation, or the corporation into which the Company shall be merged, shall so assume the due and punctual payment of the principal of and interest on all the Bonds and the performance of all the covenants and conditions of this Indenture; and provided that, as a condition of any such sale or lease of all or substantially all such property of the Company, the corporation to which such property shall be sold or leased as an entirety shall, as a part of the consideration therefor, expressly assume the due and punctual payment of the principal of and premium, if any, and interest on all the Bonds and the performance of all the covenants and conditions of this Indenture, and shall, simultaneously with the delivery to it of such conveyance or lease, execute and deliver to the Trustee a proper indenture, in form satisfactory to the Trustee, whereby such purchasing or leasing corporation shall so assume the due and punctual payment of the principal of and premium, if any, and interest on all the Bonds and the performance of all the covenants and

conditions of this Indenture; and provided that, in the case of any such lease, but not in the case of any such sale, the Company shall also remain obligated for the due and punctual payment of the principal of and premium, if any, and interest on all the Bonds and the performance of all the terms and conditions of this Indenture to be kept and performed by the Company. Wherever in this Article Twelve reference is made to the sale or lease of all or substantially all such property of the Company, such reference shall also include the sale or lease of such property substantially as an entirety.

Section 2. In case any company shall be consolidated with the Company or in case the Company shall be merged into any other company, or in case the Company shall be reincorporated as a State or Federal corporation, or in case all or substantially all the railroad property (which may exclude Excepted Property) of the Company shall become vested in or be leased to some other company, the company formed by such consolidation or reincorporation, or into which the Company shall have been merged, or which shall become vested with or lessee of all or substantially all such property of the Company, upon executing and delivering to the Trustee an indenture to the effect provided by Section 1 of this Article Twelve, shall succeed to and be substituted for the Company, with the same effect as if it had been named herein as the party of the first part hereto, and such corporation may thereupon cause to be signed and may issue, either in its own name or in the name of the Company, any or all of the Bonds which shall not theretofore have been signed by the Company and delivered to the Trustee, and the Trustee, upon the order of such corporation, in lieu of the Company, and subject to all the terms, conditions and restrictions herein prescribed, shall authenticate any and all Bonds which shall have been previously signed by the officers of the Company and delivered to the Trustee for authentication, and any of such Bonds which such corporation shall thereafter cause to be signed and delivered to the Trustee as aforesaid for that purpose. All Bonds so issued shall in all respects have the same rank and security as the Bonds theretofore or thereafter issued in accordance with the terms of this Indenture as though all of said Bonds had been actually issued by the Company as of the date of the execution hereof.

Section 3. For every purpose of this Indenture, including the execution, issue and use of any and all the Bonds, the term the Company includes and means not only Chicago and North Western Transportation Company, but also any successor corporation to it which shall have complied with the terms of this Article Twelve. Every such successor corporation shall possess, and from time to time may exercise, each and every right and power hereunder of the Company, in its name or otherwise, and any act or proceeding by any provision of this Indenture required to be done or performed by any board, officer, agent, appointee or representative of the Company may be done and performed with like force and effect by the like board, officer, agent, appointee or representative of any corporation that shall at the time be such lawful successor of the Company.

Section 4. In the event there shall be a consolidation of the Company with or a merger of the Company into a corporation which immediately prior to such consolidation or merger shall have been a Class I Carrier (as defined by the rules of the Interstate Commerce Commission in effect on

February 15, 1983) (other than MRPI or a Controlled Company), or in the event of a conveyance or lease by the Company of all or substantially all of its railroad property (which may exclude Excepted Property) to any such corporation, this Indenture shall not, by reason of such consolidation, merger or conveyance, constitute and become a lien upon or a security interest in the following:

(a) any property, right or franchise which, immediately prior to such consolidation, merger or conveyance, was owned by any such corporation or by any other corporation (other than MRPI or a Controlled Company) simultaneously consolidating with or merging into or conveying or leasing assets to such corporation; or

(b) any property, right or franchise which may be purchased, constructed or otherwise acquired by such corporation after the date of such consolidation, merger, conveyance or lease, excepting only the property, rights and franchises referred to in clauses (i) through (v) of the next following paragraph, which, as and when purchased, constructed or otherwise acquired by such corporation, shall be and become subject to the lien and security interest of this Indenture.

Any supplemental indenture provided for by Sections 1 and 2 of this Article Twelve shall contain an express grant by such corporation confirming the lien and security interest of this Indenture upon the property subject thereto immediately prior to the consolidation, merger, conveyance or lease, and subjecting to the lien and security interest of this Indenture, as fully as if such consolidation, merger, conveyance or lease had not taken place and the same had been acquired by the Company, the following property, rights and franchises purchased, constructed or otherwise acquired by such corporation after the date of such consolidation, merger, conveyance or lease:

(i) all property which shall be acquired with moneys from any fund under, or with cash at any time held by the Trustee or any trustee, mortgagees or the disbursement agent under, or in exchange for property released from the lien of, and all property the acquisition or construction of which shall be made the basis for any withdrawal of cash under any provision of, this Indenture or any Present Company Indenture;

(ii) all betterments, extensions, improvements, additions, replacements, renewals and substitutions, of, to, upon or for the property, rights and franchises subject to the lien and security interest of this Indenture;

(iii) all repairs of or to the property, rights and franchises subject to the lien and security interest of this Indenture;

(iv) all property, rights and franchises appurtenant to any property subject to the lien and security interest of this Indenture; and

(v) an appropriate portion, properly identified so as to effectively create a lien and security interest hereunder, of all property

(not covered by the preceding clauses (i) through (iv)) purchased, constructed or otherwise acquired after the date of such consolidation, merger, conveyance or lease and which shall consist of Equipment used for railroad purposes, and additions, betterments, replacements, renewals and improvements thereto, which appropriate portion shall be determined on the basis of the percentage of the revenues of such corporation which may be expected to be attributable to rights and franchises of the Company subject to the lien and security interest of this Indenture; and any final determination of such appropriate portion by the Interstate Commerce Commission or other federal governmental authority having jurisdiction of the consolidation, merger, conveyance or lease shall be conclusive.

Section 5. In the event that any corporation shall be merged into the Company or the Company shall acquire by conveyance or lease all or substantially all of the railroad assets (which may exclude Excepted Property) of any corporation, which corporation shall immediately prior to any such merger or acquisition have been a Class I Carrier (as defined by the rules of the Interstate Commerce Commission in effect on February 15, 1983) (other than MRPI or a Controlled Company), this Indenture shall not, by reason of such merger or conveyance, constitute and become a lien upon or a security interest in the following:

(a) any property, right or franchise of such corporation, or of any other corporation (other than MRPI or a Controlled Company) which simultaneously is, so merged into or acquired by the Company; and

(b) to the extent requested by the Company, any property, right or franchise which may be purchased, constructed or otherwise acquired by the Company after the date of such merger or acquisition and which, if such merger or acquisition had instead been a transaction in which the Company had merged into another corporation, or in which all or substantially all of the railroad assets (which may exclude Excepted Property) of the Company had been acquired by another corporation and such property, right or franchise were purchased, constructed or acquired by the successor corporation, would not have been required by the provisions of Section 4 of this Article Nine to be subjected to the lien or the security interest of this Indenture;

and, upon request of the Company, the Trustee will join in the execution and delivery of a supplemental indenture to this Indenture confirming and evidencing the foregoing.

ARTICLE THIRTEEN.

Supplemental Indentures.

Section 1. The Company, when authorized by resolution of its Board of Directors, and the Trustee, from time to time and at any time, subject to the restrictions in this Indenture contained, may, and when so required by this Indenture shall, enter into an indenture or indentures supplemental hereto and which thereafter shall form a part hereof, for any one or more of the following purposes:

(a) to convey, transfer and assign to the Trustee and expressly to subject to the lien of this Indenture, with the same force and effect as though included in the Granting Clauses, lines of railroad and other property acquired by the Company through consolidation or merger, by purchase, or otherwise;

(b) to correct the description of any property hereby conveyed, transferred and assigned, or intended so to be, or to convey, transfer or assign to the Trustee and to subject to the lien of this Indenture with the same force and effect as though included in Granting Clauses hereof, additional property then owned by the Company;

(c) to convey, transfer, and assign to the Trustee and expressly to subject to the lien of this Indenture, bonds, obligations, and indebtedness of other companies;

(d) to add to the limitations on the authorized issue and purposes of issue of Bonds which under the provisions of this Indenture may be issued for any of the purposes specified in Article Two hereof other limitations thereafter to be observed; to specify definitive limitations on the total authorized issue of Bonds under this Indenture, or to add to the covenants and agreements of the Company for the protection of the bondholders and the trust estate;

(e) to provide for the issue under this Indenture of one or more series of Bonds convertible, at the option of the holders thereof, into the capital stock or other securities of the Company or exchangeable for stock or other securities of other corporations at such times and upon such terms and conditions as in such supplemental indenture and in the Bonds of such particular series shall be stated;

(f) to provide for the issue of Bonds of any particular series, including any redemption or sinking fund provisions, upon such terms and conditions as in such supplemental indenture shall be stated;

(g) to evidence the succession of another corporation to the Company, or successive successions, and the assumption by a successor corporation of the covenants and obligations of the Company in the Bonds and in this Indenture or any supplemental indenture contained;

(h) to make such provision or evidence such facts in regard to other matters or questions arising under this Indenture as may be necessary or desirable and not inconsistent with this Indenture and which shall not impair or endanger the security of the same;

(i) to change the terms of the Bonds pursuant to Article Fourteen;

(j) to embody any amendment or modification of or addition to the provisions of this Indenture, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds made as provided in Article Fourteen;

(k) to amend or supplement the terms of this Indenture as contemplated under Section 16 of Article Four hereof;

(l) to make any other modifications herein or in the form of any Bonds which may be required by law;

(m) to make any modifications herein or in the form of any Bonds which may be expedient to facilitate the listing of such Bonds on the New York Stock Exchange or any other stock exchange, if, in the judgment of the Trustee, any such modification will not be prejudicial to the interests of the holders of the Bonds;

(n) to permit Bonds issuable under this Indenture to be appropriately renamed and references in any such Bonds to this Indenture appropriately to be altered, all in such manner as appropriately to reflect any improvement in the character or priority of the lien of this Indenture; and

(o) for any other purpose not inconsistent with the terms of this Indenture, or for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective or inconsistent provision contained herein or in any supplemental indenture.

The Trustee may, but shall not (except in the case of a supplemental indenture entered into under Clause (k) of this Section 1) be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or any supplement hereto or otherwise.

Section 2. Each such supplemental indenture executed for any purpose specified in Clause (a) of Section 1 of this Article Thirteen shall specify and describe any mortgages or other liens on said lines of railway and property and state the amount of the bonds or other debt secured thereby.

Section 3. For the purposes of this Indenture, any such supplemental indenture shall be construed in connection with and as part of this Indenture, and the covenants thereof shall be deemed, as to the subject matter of such covenants, covenants of this Indenture. Without prejudice to the foregoing, any supplemental indenture executed for the purposes specified in Clause (f) of Section 1 of this Article Thirteen may constitute, as an additional event of default under this Indenture, a default in the payment of an installment of any sinking fund thereby created, continued for such period, if any, as may be therein provided, and any supplemental indenture executed for the purposes specified in Clause (e) of Section 1 of this Article Thirteen may constitute, as an additional event of default under this Indenture, any failure to carry out any privilege or right of conversion granted to the holder or holders of any Bonds by such supplemental indenture, and the continuance of such failure for such period, if any, as may be prescribed by such supplemental indenture.

Section 4. The Company covenants that, with all convenient speed after the execution thereof, it will cause each such supplemental indenture executed for the purposes specified in Clause (a) of Section 1 of this

Art. Thirteen, Sec. 4 and 5
Art. Fourteen, Sec. 1, 2 and 3

Article Thirteen to be duly recorded and continuously kept recorded or filed as may be required by law as a mortgage upon railways, or, as the case may be, upon real or personal property, and each such supplemental indenture executed for any other purpose to be duly recorded or filed in such place or places, if any, and in such manner, as may be necessary to constitute such supplemental indenture a valid and subsisting lien on the property covered thereby, of the extent and priority purporting to be created thereby; but the Trustee may authenticate and deliver any Bonds, after any such supplemental indenture shall have been delivered, prior to recording thereof. An executed counterpart of every such supplemental indenture shall be deposited with the Trustee.

Section 5. The Trustee is authorized to enter into any supplemental indenture or indentures provided for in Section 1 hereof, to make the further agreements and stipulations which may be therein contained, and to accept the conveyance, transfer, and assignment of such property thereunder. The Trustee may receive and shall be fully protected in relying upon an opinion of counsel as conclusive evidence that any supplemental indenture executed pursuant to this Article Thirteen is authorized or permitted by the terms of this Indenture. In case of the delivery of any such supplemental indenture or indentures, express reference thereto may be made in the text of the Bonds of any series created thereafter.

ARTICLE FOURTEEN.

Bondholders' Meetings.

Section 1. The Trustee may at any time call a meeting of holders of the Bonds and shall from time to time call such meeting on the written request of the Company, made pursuant to a resolution of the Board of Directors, or upon a written request signed by the holders of at least 10% of the aggregate principal amount of the Bonds then outstanding to be affected by any action proposed to be taken at the meeting (such Bonds being hereinafter in this Article Fourteen sometimes collectively called the Affected Bonds), provided that the Trustee shall be furnished at the time of any such request with an amount sufficient to defray the cost of publishing and mailing notice of such meeting in accordance with the provisions of Section 2 of this Article Fourteen. Every such written request shall set forth the purpose of such meeting in reasonable detail. Every such meeting of holders of Bonds shall be held in The City of Chicago or the Borough of Manhattan, The City of New York.

Section 2. Notice of every such meeting, setting forth in reasonable detail the purpose thereof, shall, not less than 30 nor more than 60 days prior to the date fixed for the meeting, be sent by mail to the holders of registered Affected Bonds without coupons at their last addresses appearing upon the transfer register. The place, date and hour of holding such meeting and the date of mailing such notice shall be determined by the Trustee in its discretion.

Section 3. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of bondholders in regard to proof of the holding of Bonds

and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and in regard to such other matters concerning the conduct of the meeting as it shall think fit. Except as otherwise permitted or required by any such regulations, the holding of Bonds shall be proved in the manner specified in Article Eight hereof and the appointment of any proxy shall be proved in the manner specified in said Article Eight.

Section 4. To be entitled to vote at any such meeting a person shall be a registered holder of a registered Affected Bond without coupons, or his proxy. The only persons who shall be entitled to be present or to speak at any such meeting shall be the persons entitled to vote thereat and the counsel of any such person and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

Bonds known by the Trustee to be owned or held by or for the account of the Company or any subsidiary company of the Company, or any corporation or corporations or person owning, directly or indirectly, a majority of the voting stock of the Company, shall not be deemed to be outstanding for any purpose of this Article Fourteen or for purposes of giving any direction, waiver or consent under this Indenture, except that any Bond pledged by the Company or by any subsidiary company of the Company or by any such corporation or person, as security for loans or other obligations, otherwise than to another subsidiary company or to another such corporation or person, shall be deemed to be outstanding for all purposes of this Article Fourteen and for purposes of giving any direction, waiver or consent under this Indenture, if the pledgee is entitled pursuant to the terms of its pledge agreement and is free to exercise in its or his discretion the right to vote such Bonds, uncontrolled by the Company, by any subsidiary of the Company, or by any such corporation or person.

Section 5. The representation of a majority in aggregate principal amount of the Affected Bonds, by the persons holding such Bonds or by proxy, shall be necessary to constitute a quorum at any such meeting, but less than a quorum may, with the consent of the Company, adjourn the meeting from time to time and from place to place and the meeting may be held as adjourned without further notice, whether such adjournment shall have been had by a quorum or by less than a quorum. The Trustee shall by an instrument in writing appoint a temporary chairman of the meeting, and the meeting shall be organized by the election of a permanent chairman and a secretary. At any meeting the votes of the holders of the Affected Bonds on any election, motion, resolution, or other action shall be counted on the basis of the principal amount of the Affected Bonds which such holders are respectively entitled to vote.

Section 6. At any such meeting at which there shall be a quorum the holders of the Affected Bonds shall have the power by resolution adopted as hereinafter provided:

(a) to authorize the Trustee to join with the Company in making any amendment or modification of or addition to any provision of this

Indenture or any supplement hereto, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds, of all or any series, under this Indenture or any supplement hereto, or to join with the Company or any other company in making any amendment or modification of or addition to any provision of any agreement in respect of this Indenture or the Bonds;

(b) to sanction any compromise of the rights of the holders of the Affected Bonds against the Company or MRPI or against its property or against other parties whether such rights shall arise under the provisions of this Indenture or otherwise;

(c) to require the Trustee, on having entered into or taken possession of the trust estate, or any part thereof, to restore the same to the Company or MRPI upon such conditions as may be approved at said meeting;

(d) to terminate, notwithstanding the provisions of Article Nine hereof, either before or after an event of default, the lien of this Indenture or of any indenture supplemental hereto as to any property or properties or part or parts thereof at any time subject hereto and cause the same to revert to the Company or MRPI free and clear of the lien hereof upon such conditions as may be approved at said meeting;

(e) to sanction any plan for the reorganization, readjustment or liquidation of the Company or MRPI, or to designate a reorganization manager or managers;

(f) to authorize the Trustee to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the trust estate any securities of any corporation formed or to be formed; and

(g) to exercise any and every power given the holders of the Bonds, or any specified percentage thereof, under any provision of this Indenture;

provided, however, that no such resolution adopted at any such meeting shall be effective unless the action thereby taken or authorized shall have been requested or approved by resolution of the Board of Directors of the Company; and provided further that, except with the consent of the holder of each Bond which would be affected thereby, to be evidenced by an appropriate legend stamped thereon, no such amendment, modification or addition may reduce the principal amount of any Bond or the rate of interest thereon or any premium payable upon the redemption thereof or otherwise modify the terms of payment of the principal of any Bond or the premium, if any, or the interest on any Bond or effect a reduction of the percentage required for any action authorized to be taken by the holders of the Bonds, and provided further that, notwithstanding any other provision of this Article, no amendment or modification of or addition to the provisions of this Indenture or any supplement hereto, or other action hereinabove provided for, which, in the opinion of the Trustee, shall affect its rights, duties or immunities under this Indenture or any supplement hereto may be effected without the written consent of the Trustee.

The affirmative vote of 66-2/3% in principal amount of the Affected Bonds represented at any such meeting, but in no event less than a majority in principal amount of the Affected Bonds outstanding, shall be necessary to the adoption of any resolution under this Section; if the adoption of any resolution would affect the rights of the holders of the Bonds of any series not in common with the rights of the holders of the Bonds of all other series, the affirmative vote of 66-2/3% of the principal amount of the Bonds represented at such meeting (but in no event less than a majority in principal amount thereof then outstanding) of all series affected in common, voting collectively, shall also be necessary for the adoption of such resolution.

The Trustee shall be entitled to rely upon an opinion of counsel with respect to the extent, if any, to which any action taken at such meeting affects the rights of the holders of Bonds of one or more, but less than all, of the series of Bonds outstanding.

Section 7. The votes upon any resolution shall be by ballots and the chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of every such meeting shall be prepared by the secretary of the meeting, and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits of one or more persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 2 of this Article Fourteen. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting, and one of the duplicates shall be delivered to the Company and the other to the Trustee. Any record so signed and verified shall be conclusive evidence that such meeting was duly convened and held, and any resolution or proceeding stated in such record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken at the meeting.

Section 8. Any such resolution so adopted in accordance with the provisions of Section 6 of this Article Fourteen at a meeting duly convened and held shall be binding upon all holders of Bonds, whether or not present or voting, in person or by proxy, at such meeting, and all Bonds issued under this Indenture are to be owned and held on the condition, as part of the consideration for the issuance thereof, that any resolution so adopted shall be final and conclusive upon all holders of Bonds and upon their successors and assigns. The Trustee shall be bound to give effect to any such resolution.

Section 9. Bonds authenticated and delivered after the date of any such meeting may bear a notation in form approved by the Trustee as to any action taken at any such meetings theretofore held, and upon the demand of the holder of any Affected Bond outstanding at the date of any such meeting and presentation of his Bond for that purpose, the Company shall cause suitable notation to be made on the Bond, by endorsement or otherwise, as to any action taken at any such meeting theretofore held. If the Company or the Trustee shall determine, new Bonds, so modified as to conform, in

Art. Fourteen, Sec. 9 and 10
Art. Fifteen, Sec. 1, 2 and 3

the opinion of the Trustee and the Board of Directors, to any resolution adopted as provided in this Article Fourteen, but otherwise like the Bonds to be surrendered, shall be prepared by the Company, executed by the Company, authenticated by the Trustee and delivered, without cost, to the holders of Bonds of the same series then outstanding hereunder upon surrender of such Bonds, in equal aggregate principal amounts. The Company or the Trustee may require the Bonds outstanding to be presented for notation or exchange as aforesaid, if either of them shall see fit to do so.

Indentures supplemental to this Indenture, embodying any amendment or modification of or addition to the provisions of this Indenture, and any modification of or addition to the rights and obligations of the Company or the rights of the holders of the Bonds made as provided in this Article Fourteen, may be executed by the Trustee and the Company, and, upon demand of the Trustee, or if so specified in any resolution adopted at any meeting provided for in this Article Fourteen, shall be executed by the Company and the Trustee. The Trustee may receive and shall be fully protected in relying upon an opinion of counsel that any supplemental indenture executed pursuant to this Article Fourteen is authorized or permitted by the terms of this Indenture.

Section 10. Any power exercisable at any meeting convened pursuant to this Article Fourteen may also be exercised, with the same force and effect, by an instrument or instruments signed by the holders of 66-2/3% in principal amount of the Bonds outstanding affected thereby (including the holders of 66-2/3% in principal amount of the Bonds outstanding of all series affected in common) and delivered to the Trustee together with such proof of the fact and date of the execution thereof, and the fact and date of the holding of Bonds by the signers thereof as may be required by the Trustee under the provisions of Article Eight hereof.

ARTICLE FIFTEEN.

Sundry Provisions and Definitions.

Section 1. The Trustee and each paying agent shall pay to the Company upon request any money held by them for the repayment of principal, premium, if any, or interest that remains unclaimed for two years. After that, bondholders entitled to the money must look to the Company for payment as general creditors unless an abandoned property law designates another person, and all liability of the Trustee and of such paying agent with respect to such money shall cease.

Section 2. In any case where the date of maturity of interest or principal or the date of redemption of any Bond shall be a Saturday or a Sunday or shall be a legal holiday at the place where payment thereof is to be made, or shall be a date on which banking organizations at the place where such payment is to be made are authorized by law to close, then payment of such interest and principal (and premium, if any) may be made on the next succeeding business day with the same force and effect as if made on such nominal date.

Section 3. All the covenants, stipulations, promises and agreements

in this Indenture contained by or on behalf of the Company, shall bind its successors and assigns, whether so expressed or not.

Section 4. The following terms, whenever used in this Indenture, shall, unless the context otherwise requires, have the respective meanings set forth below.

(a) The term "Affiliate", when used with respect to any person, means any other person (i) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such first mentioned person, or (ii) which beneficially owns or beneficially holds 10% or more of any class of voting stock of such first mentioned person, or (iii) 10% or more of whose voting stock is beneficially owned or beneficially held by such first mentioned person and/or any of its Affiliates. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting stock, by contract, or otherwise; **provided, however**, that no person shall be deemed to be an Affiliate of the Company by reason of the exercise or existence of rights or remedies granted under this Indenture.

(b) The term "Bonds" means bonds authenticated and delivered under this Indenture.

(c) The terms "bondholder" and "holder", or other similar terms, mean the registered owner of a registered Bond without coupons.

(d) The terms "Bonds of Series A" and "Series A Bonds" shall mean Bonds of Series A as described in Section 12 of Article One and substantially in the form set forth in Annex B hereto.

(e) The words "Bonds", "bondholders", "bond owners" and "holders" shall include both the singular and plural number, and the singular of said words shall include the plural.

(f) The term "Company" has the meaning set forth in Section 3 of Article Twelve.

(g) The term "Consolidated Mortgage Indenture" means the Consolidated Mortgage Indenture dated as of January 15, 1984 between Chicago and North Western Transportation Company and American National Bank and Trust Company of Chicago, as Trustee.

(h) The term "Controlled Company" means a railroad corporation subject to regulation under Part I of the Interstate Commerce Act or any successor legislation or, if no such successor legislation shall be in effect, a corporation organized for the purpose of engaging in transportation by railroad, 85% of the capital stock of which shall be owned by the Company and shall have been expressly subjected by the Company to this Indenture as a first lien thereon, **provided, however**, that at least 85% in number of votes of its securities entitled, at

the time of determining whether such company is a Controlled Company, to vote for the election of directors shall be owned by the Company and subject to the lien of this Indenture as aforesaid.

(i) The term "Equipment" means rolling stock, other rolling equipment, trucks, automobiles, and airplanes used for railroad freight purposes.

(j) The term "Excepted Encumbrances" means

(1) liens for taxes, assessments or governmental charges not then delinquent or not then required to be paid pursuant to the provisions of Sections 8 and 9 of Article Four; liens for workmen's compensation awards and similar obligations not then delinquent; liens or encumbrances in connection with litigation against the Company or MRPI or a Controlled Company, as the case may be, concerning claims for personal injuries or damages to property arising out of the operation of its business if entitled to priority over the lien of this Indenture by operation of law; other liens not exceeding \$5,000,000 (indexed for inflation) in the aggregate arising out of litigation against the Company or MRPI or any Controlled Company; liens for the payment or discharge of which provisions satisfactory to the Trustee have been made; mechanics', laborers', materialmen's and similar liens not then delinquent; any liens of the character referred to in this subparagraph (1), irrespective of amount, whether or not delinquent, the validity of which is being contested at the time by the Company or MRPI or a Controlled Company, as the case may be, in good faith by appropriate proceedings; and undetermined liens or charges incidental to construction and not at the time due;

(2) liens securing indebtedness neither payable nor assumed nor guaranteed by the Company or MRPI or a Controlled Company, as the case may be, nor on which it customarily pays interest, on property with respect to which the Company or MRPI or a Controlled Company, as the case may be, owns easements or rights of way;

(3) rights reserved to or vested in any governmental authority or agency or in any municipality by the terms of any franchise, grant, license or permit or by any provision of law to terminate such franchise, grant, license or permit, or to purchase or appropriate or recapture, or to designate a purchaser of, any of the trust estate or the property owned by MRPI or a Controlled Company, as the case may be; or to demand and collect any tax or other compensation for the use of streets or other public places or to control or regulate the trust estate or the property owned by MRPI or a Controlled Company, as the case may be;

(4) any zoning, land use, environmental, health, building or other obligation or duty affecting the trust estate or the property owned by MRPI or a Controlled Company, as the case may be, or the uses, removal, control or regulation thereof by any

public authority, under any franchise, grant, license or permit or provision of law; and governmental police powers generally;

(5) rights of lessees under leases from the Company or MRPI or a Controlled Company, as the case may be, and interests of others than the Company or MRPI or a Controlled Company, as the case may be, in property owned jointly or in common; and

(6) easements, rights of way, exceptions, reservations, restrictions, conditions, limitations, covenants, adverse rights or interests and any other defects or irregularities in title affecting the trust estate or the property owned by MRPI or a Controlled Company, as the case may be, which do not materially affect the use of the trust estate or the property owned by MRPI or a Controlled Company, as the case may be, for the purposes for which it is held by the Company or MRPI or a Controlled Company, as the case may be.

(7) any lien or other title retention agreement in respect of Equipment, including, but not limited to, all such liens and agreements now or hereafter existing on Equipment subject to the lien of this Indenture or owned by MRPI or a Controlled Company.

(k) The term "Excepted Property" has the meaning set forth under the heading "Excepted Properties" at the beginning of this Consolidated Mortgage Indenture.

(l) The term "Indenture" means the Consolidated Mortgage Indenture, as the same may from time to time be supplemented, modified or amended by any supplemental indenture entered into pursuant to any of the provisions hereof.

(m) The term "independent" means, as applied to any person, such person who is in fact independent, is not an Affiliate of the Company and owns no securities of the Company, of any of its Affiliates or of any other obligor under this Indenture or upon any of the Bonds, but such person may be regularly retained by the Company, any Affiliate of the Company or any other obligor under this Indenture or upon any of the Bonds. If such person be an individual, he shall not be a director, officer or employee of the Company or of any Affiliate of the Company or of any other obligor under this Indenture or upon any of the Bonds. If such person be a partnership or corporation, it shall not have a partner, director or officer who is a director, officer, employee of the Company or any of its Affiliates or holder of any securities of the Company or any of its Subsidiaries or of any such obligor. Each Certificate filed with the Trustee under this Indenture and signed by a person purporting to be independent shall state that the signer has read this definition and is independent as provided herein. Whenever it is provided under the terms of this Indenture that the selection of an independent engineer, appraiser or other expert shall have been approved by the Trustee, such approval shall be conclusively indicated by the Trustee's acceptance of a certificate signed by such engineer, appraiser or other expert.

(n) The term "indexed for inflation" shall mean the multiplication of a dollar amount by a fraction (a) the numerator of which shall be the Quarterly Index of Charge-Out Prices and Wage Rates for the United States: Material Prices, wages and supplements (incl. fuel) ("Index") most recently published by the Association of American Railroads Economics and Finance Department prior to the date of each application of said term and (b) the denominator of which shall be the Index for the second quarter of 1983 (if the Index shall cease to be published, a reasonable substitute therefor shall be agreed to by the Company and the Trustee); and the result of said computation shall be rounded to the nearest \$0.5 million.

(o) The term "majority" means majority in principal amount.

(p) The term "MRPI" means Midwestern Railroad Properties, Incorporated, a Delaware corporation and wholly owned subsidiary of the Company.

(q) The term "Officers' Certificate" means a certificate signed by the President or a Vice President and the Treasurer or an Assistant Treasurer or any financial or accounting Vice President or the Secretary or an Assistant Secretary of the Company and containing the statements required by Section 5 of this Article Fifteen.

(r) The term "opinion of counsel" means an opinion in writing, conforming to the requirement of Section 5 of this Article Fifteen, signed by legal counsel, who may be an employee of or counsel to the Company, and who shall be acceptable to the Trustee.

(s) The term "Present Company Indentures" means the following indentures: (1) the Indenture of Mortgage and Deed of Trust executed by Chicago and North Western Railway Company to The First National Bank of Chicago, Trustee, dated as of January 1, 1939; (2) the Indenture of Mortgage and Deed of Trust executed by Chicago Great Western Railway Company to Guaranty Trust Company of New York, Trustee, dated as of January 1, 1938; (3) the Indenture of Mortgage and Deed of Trust executed by Minneapolis & St. Louis Railway Company to The First National Bank of Chicago, Trustee, dated as of October 1, 1960; (4) the Indenture of Mortgage and Security Agreement executed by the Company to Chicago and North Western Railway Company, dated as of June 1, 1972; and (5) and (6) the Indentures of Mortgage and Deeds of Trust, Assignments of Leases and Rents, Security Agreements and Financing Statements A and B executed by the Company and MRPI to Continental Illinois National Bank and Trust Company of Chicago and The First National Bank of Chicago, Co-Agents, dated as of June 29, 1983; all as heretofore and hereafter supplemented and amended.

(t) The term "Prior Lien", when used with respect to the Company or MRPI (after subjection of its properties to the lien hereof), means any mortgage or other lien (other than an Excepted Encumbrance) constituting a charge on property subject to the lien of this Indenture prior to the lien of this Indenture and, when used with respect to MRPI (prior to the subjection of its properties to the lien

hereof) or a Controlled Company, means any mortgage or other lien (other than an Excepted Encumbrance) upon the railroad property (other than Excepted Property) of MRPI or such Controlled Company.

(u) The term "Prior Lien Indenture" means any mortgage or other instrument creating a Prior Lien, including the Present Company Indentures.

(v) The term "Prior Lien Obligations" means all bonds and other obligations secured by any Prior Lien.

(w) The term "Responsible Officer" means, with respect to the Trustee, the Chairman of the Board of Directors, the President, each Vice President, each Assistant Vice President, the Secretary, each Assistant Secretary, the Treasurer, the Cashier, each Assistant Cashier, each Trust Officer and each Assistant Trust Officer, or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the individuals who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his knowledge of or familiarity with the particular subject.

(x) The term "Trustee" means the Trustee for the time being under this Indenture whether original or successor.

(y) The term "U.S. Government Obligations" means bonds, notes or other evidences of indebtedness (or certificates evidencing an ownership interest therein) of or guaranteed by the United States of America or any agency or instrumentality thereof.

Section 5. (a) As evidence of compliance with any condition precedent provided for in this Indenture (including any covenant, compliance with which constitutes a condition precedent) which relates to the authentication and delivery of Bonds, to the release or the release and substitution of property subject to the lien of this Indenture, to the withdrawal of moneys or to the satisfaction and discharge of this Indenture, or to any other action to be taken by the Trustee upon application, request or order of the Company, the Company will furnish to the Trustee, in addition to or as a part of the certificates or opinions required in such cases by the applicable terms of this Indenture,

(i) an Officers' Certificate stating that all such conditions precedent have been complied with; and

(ii) an opinion of counsel stating that in counsel's opinion all such conditions precedent have been complied with.

(b) Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include

(i) a statement that the person making such certificate or opinion has read such condition or covenant;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that in the opinion of such person such person has made such examination or investigation as is necessary to enable such person to express an informed opinion as to whether or not such condition or covenant has been complied with; and

(iv) a statement as to whether or not in the opinion of such person such condition or covenant has been complied with.

Section 6. Anything herein contained to the contrary notwithstanding, whenever in this Indenture a resolution of the Board of Directors of the Company is provided for or required, a resolution of the Executive Committee of the Board of Directors shall be equally effective for the purpose to the extent permitted by law and by the certificate of incorporation and by-laws of the Company, and any resolution of either the Board of Directors or Executive Committee of the Board of Directors may be attested or certified by the Secretary or by an Assistant Secretary of the Company, and any reference in this Indenture to the Board of Directors of the Company shall be deemed to be a reference to the Executive Committee of the Board of Directors as well.

Except as otherwise expressly provided in this Indenture, any order, notice, request, demand, election, appraisal, order or other communication of the Company authorized or required to be delivered to the Trustee hereunder, shall be sufficient if signed on behalf of the Company by its President or a Vice President, or by some other officer of the Company appointed for the purpose by resolution of the Board of Directors of the Company, under its corporate seal attested by its Secretary or an Assistant Secretary. Anything in this Indenture to the contrary notwithstanding, the Assistant Comptroller, Assistant Treasurer or Assistant Secretary of the Company may sign any document required to be signed by the Comptroller, Treasurer or Secretary, as the case may be, of the Company, either alone or with other officers of the Company.

Section 7. Except as herein otherwise provided, any notice or demand which by any provisions of this Indenture is required or permitted to be given or served on the Company or the Trustee shall be deemed to have been sufficiently given and served for all purposes by being deposited postage prepaid in a United States Post Office, letter box or mail chute (unless another address has been filed by the party addressed with the other party to this Indenture, in which case the address so filed shall be used), addressed as follows, respectively, as the case may be: Chicago and North Western Transportation Company, One North Western Center, Chicago, Illinois, 60606, Attention Senior Vice President-Finance and Accounting; American National Bank and Trust Company of Chicago, Corporate Trust Division, 33 North LaSalle Street, Chicago, Illinois 60690.

Section 8. In order to facilitate the recording of this Indenture, the same may be simultaneously executed in several counterparts, each of which so executed shall be deemed to be an original; and such counterparts,

Art. Fifteen, Sec. 8 and 9

Art. Sixteen, Art. Seventeen, Sec. 1 and 2

or so many thereof as the Company and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 9. (a) In case any one or more of the provisions contained in this Indenture or in the Bonds shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. All captions are inserted for convenience and are not to be construed as part hereof.

(b) If any provision of this Indenture limits, qualifies, or conflicts with another provision of this Indenture required to be included herein by any of Section 310 to 317, inclusive, of the Trust Indenture Act of 1939, such required provision shall control.

ARTICLE SIXTEEN.

Parties In Interest.

Nothing in this Indenture expressed or implied is intended, or shall be construed, to confer upon, or to give to, any person or corporation, other than the parties hereto and the holders of the Bonds, any right, remedy or claim, under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto and of the holders of the Bonds.

ARTICLE SEVENTEEN.

In General.

Section 1. There is attached to this Consolidated Mortgage Indenture (a) as Annex A, the granting clauses ("Granting Clauses") setting forth the property mortgaged, conveyed and assigned by this Consolidated Mortgage Indenture, and (b) as Annex B, the form of Bonds of Series A.

Section 2. This Consolidated Mortgage Indenture may be executed in any number of counterparts each of which shall be and shall be taken to be an original, and all such counterparts shall together constitute one and the same instrument.

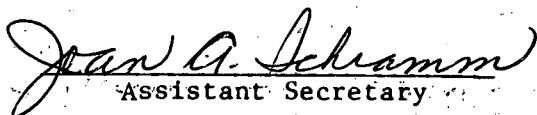
IN WITNESS WHEREOF, Chicago and North Western Transportation Company, the party of the first part, has caused this Consolidated Mortgage Indenture to be signed in its corporate name and acknowledged by its President, or a Vice President, and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, and American National Bank and Trust Company of Chicago, as Trustee as aforesaid, the party hereto of the second part, has caused this Consolidated Mortgage Indenture to be signed in its corporate name and acknowledged by a Vice President or an Assistant Vice President, and its corporate seal to be hereunto affixed by an Assistant Secretary, all as of January 15, 1984.

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY,

By 
Vice President

(Corporate Seal)

Attest:


Assistant Secretary

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

By 
Vice President

(Corporate Seal)

Attest:


Assistant Secretary

Approved as to form for execution by Chicago and North Western
Transportation Company.

George M. Hollander



STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, MARCIA L. BOVENZO, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that T. A. TINGLEFF, personally known to me to be a Vice President of Chicago and North Western Transportation Company, a Delaware corporation, and JOAN A. SCHRAMM, personally known to me to be an Assistant Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Assistant Secretary, appeared before me this day in person, and, being by me duly sworn, severally said and acknowledged that they are a Vice President and an Assistant Secretary, respectively, of said corporation, that they signed and delivered said instrument as Vice President and Assistant Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth, and that the seal affixed to said instrument is the corporate seal of said corporation.

GIVEN under my hand and notarial seal this 24th day of February, A.D., 1984.

Marcia L. Bovenzo
Notary Public

My Commission Expires September 12, 1987.

[NOTARIAL SEAL]

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, KATHLEEN A. MONAHAN, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that RONALD B. BREMEN, personally known to me to be Vice President of American National Bank and Trust Company of Chicago, a national banking association, and RICHARD Y. GUTHRIE, personally known to me to be Assistant Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Assistant Secretary, appeared before me this day in person, and being by me duly sworn, severally said and acknowledged that they are Vice President and Assistant Secretary, respectively, of said corporation, that they signed and delivered said instrument as Vice President and Assistant Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth, and that the seal affixed to said instrument is the corporate seal of said corporation..

GIVEN under my hand and notarial seal this 24th day of February, A.D., 1984.

K Monahan
Notary Public

My Commission Expires February 23, 1986.

[NOTARIAL SEAL]

ANNEX A

Granting Clauses

FIRST: The following described railroads owned by the Company, now aggregating the approximate mileages shown:

	<u>Miles</u>
I. A line of railroad beginning adjacent to the Passenger Terminal Station, near the intersection of Canal and Madison Streets, in the City of Chicago, Illinois, and extending in a westerly direction by way of Dixon, in the State of Illinois, thence westerly by way of Clinton, Cedar Rapids and Boone, in the State of Iowa, to Council Bluffs, Iowa, having a length of about.....	484.42
II. A line of railroad extending from Nelson, Illinois, southerly via Peoria to De Camp, Illinois, including a line from Kickapoo Junction to Peoria Junction, Illinois, having a length of about.....	201.58
III. A line of railroad beginning at Missouri Valley, in the State of Iowa, and extending westerly (including between California Junction, Iowa, and Fremont, Nebraska) via Norfolk, Oakdale and Chadron, in the State of Nebraska, to Crandall, in the State of Wyoming, having a length of about.....	511.10
IV. A line of railroad extending westerly from Shawnee to Casper, Wyoming, having a length of about.....	79.10
V. A line of railroad beginning at Clybourn, in the City of Chicago, State of Illinois, and extending therefrom in a northwesterly direction by way of Crystal Lake and Harvard, in the State of Illinois, and Clinton Junction, Janesville, Madison and Elroy, in the State of Wisconsin, having a length of about.....	201.50
VI. A line of railroad beginning at Winona, Minnesota, and extending westerly therefrom via Mankato and Tracy in the State of Minnesota; and thence by way of Huron and Pierre to Rapid City, in the State of South Dakota, having a length of about.....	636.32
VII. A line of railroad beginning adjacent to the Passenger Terminal Station, near the intersection of Canal and Madison Streets, in the City of Chicago, State of Illinois, and extending therefrom northerly by way of Evanston, Illinois, Kenosha, Racine, Milwaukee, Fond du Lac, Oshkosh and Green Bay, in the State of Wisconsin, and via Menominee and Escanaba to Ishpeming, in the State of Michigan, having a length of about.....	386.54

VIII.	A line of railroad beginning at the Burlington Northern Railway Terminal at Minneapolis, Minnesota, and extending in an easterly direction via St. Paul and Stillwater Junction, Minnesota, and Hudson, Woodville, Menomonie Junction, Fairchild and Merrilan to Elroy in the State of Wisconsin, having a length of about.....	187.78
IX.	A line of railroad beginning at Eau Claire, Wisconsin, and extending therefrom northerly via Chippewa Falls, Rice Lake, Tuscobia, Spooner, Trego, Hawthorne, Itasca and Superior, Wisconsin, to Duluth, Minnesota, having a length of about.....	152.83
X.	A line of railroad beginning at the Passenger Terminal at St. Paul, Minnesota, and extending therefrom southwesterly via Cliff, Shakopee, Merriam, Mankato, Lake Crystal, Madelia, St. James and Worthington, Minnesota, and LeMars, Iowa, to Sioux City, Iowa, having a length of about.....	241.23
XI.	A line of railroad extending from Oelwein, Iowa, southwesterly through the Cities of Waterloo, Marshalltown and Des Moines, Iowa, St. Joseph, Missouri, and Leavenworth, Kansas, to Kansas City, Missouri, having a length of about.....	318.28
XII.	A line of railroad extending from Manly, Iowa, by way of Mason City and Fort Dodge, Iowa, to Sommers, Iowa, having a length of about.....	96.57
XIII.	A line of railroad extending from Oelwein, Iowa, to Coulter, Iowa, having a length of about.....	80.50
XIV.	A line of railroad beginning in Minneapolis, Minnesota, and extending in a southwesterly direction to Hopkins, Minnesota, then in a southerly direction to Albert Lea, Minnesota, having a length of about.....	104.90
XV.	A line of railroad beginning in Northwood, Iowa, and extending in a southerly direction to Manly, Mason City, Marshalltown and Oskaloosa to Albia, all in the State of Iowa, having a length of about.....	179.29
XVI.	A. all other branch lines owned by the Company and all lines of railroad owned by the Company crossing or connecting with any of the lines described in clauses I through XV, above, or crossing or extending from points on said crossing or connecting lines; B. all and singular the main tracks owned by the Company additional to the first main track and used as part of and in connection with any of the main, branch, crossing or connecting lines referred to in clauses I through XV, above; C. all and singular the spur tracks, yard tracks, side tracks, turnouts, passing tracks and shop tracks owned by the Company and used, or provided for use, in connection with any of the main, branch, crossing or connecting lines referred to in clauses I through XV, above; D. all and singular other lines of railroad and tracks now owned by the Company.	

SECOND. The following described leasehold interests and trackage rights agreements of Company, now aggregating the approximate mileages shown:

	<u>Miles</u>
1. With the Union Pacific Railroad Company, covering trackage rights between Council Bluffs, Iowa, and South Omaha, Nebraska, having a length of about	8.73
2. With the Consolidated Rail Corporation, covering trackage rights between Roosevelt and Pershing Roads, Chicago, Illinois, having a length of about.....	2.77
3. With the Peoria and Pekin Union Railway Company, (a) covering the joint use of the freight station and other facilities at Peoria, Illinois, and trackage rights between Peoria Junction and Peoria, Illinois, having a length of about.....	2.02
(b) and also covering trackage rights between Iowa Junction and C.&N.W. Jct., near Peoria, Illinois, having a length of about.....	.77
4. With the Burlington Northern Railroad Company, granting permanent trackage rights between Illico and Shobon, Wyoming, having a length of about.....	87.16
5. With the Illinois Terminal Railroad Company, covering trackage rights between Madison, and Bridge Junction, Illinois, having a length of about.....	2.58
6. With Green Bay and Western Railroad Company, covering trackage rights in Green Bay, Wisconsin, having a length of about.....	.30
7. With the Illinois Central Gulf Railroad Company, covering trackage rights between Council Bluffs, Iowa, and Omaha, Nebraska, having a length of about.....	4.51
8. With the Burlington Northern Railroad Company, covering trackage rights in Des Moines, Iowa, having a length of about.....	.52
9. With the Burlington Northern Railroad Company, covering trackage rights in St. Joseph, Missouri, having a length of about.....	.81
10. With St. Joseph Terminal Railroad Company, covering trackage rights in St. Joseph, Missouri, having a length of about.....	.40
11. With the Atchison, Topeka & Santa Fe Railway Company, covering trackage rights between St. Joseph, and Bee Creek, Missouri, having a length of about.....	7.63
12. With the Leavenworth Depot & Railroad Company, covering trackage rights in Leavenworth, Kansas, having a length of about.....	.20
13. With the Union Pacific Railroad Company, covering trackage rights in Leavenworth, Kansas, having a length of about.....	.06

14.	With the Missouri Pacific Railroad Company, covering trackage rights between Leavenworth, Kansas, and Kansas City, Kansas, having a length of about.....	24.88
15.	With the Kansas City Terminal Railroad Company, covering trackage rights in Kansas City, Missouri, having a length of about.....	2.84
16.	With Winona Bridge Company, covering trackage rights in Winona, Minnesota, having a length of about.....	.06
17.	With Burlington Northern Railroad Company, covering trackage rights in Winona, Minnesota, having a length of about.....	1.22
18.	With Burlington Northern Railroad Company, covering trackage rights between Superior, Wisconsin, and Duluth, Minnesota, having a length of about.....	1.59
19.	With the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, covering trackage rights in Milwaukee, Wisconsin, having a length of about.....	10.89
20.	With the Illinois Central Gulf Railroad Company, covering trackage rights between Tara and Fort Dodge, Iowa, having a length of about.....	5.67
21.	With the Chicago, Rock Island and Pacific Railroad Company, covering trackage rights between Givin and Eddyville, Iowa, having a length of about.....	3.56
22.	With the St. Paul Union Depot Company, covering trackage rights in St. Paul, Minnesota, having a length of about.....	.74
23.	With Burlington Northern Railroad Company, covering trackage rights between St. Paul and Minneapolis, Minnesota, having a length of about.....	10.89
24.	With the Illinois Central Gulf Railroad Company, covering trackage rights between LeMars and Sioux City, Iowa, having a length of about.....	25.95
25.	With the Soo Line Railroad Company, covering trackage rights between Wisconsin Rapids and Nekoosa, Wisconsin, having a length of about.....	6.56
26.	With the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, covering trackage rights between Tunnel City, Wisconsin, and Winona, Minnesota, having a length of about.....	67.79
27.	With the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, covering trackage rights between Wisconsin Rapids and Necedah, Wisconsin, having a length of about.....	37.42
28.	With the Burlington Northern Railroad Company, covering trackage rights between Sioux City, Iowa, and Ferry, Nebraska, having a length of about.....	3.82
29.	With the Burlington Northern Railroad Company, covering trackage rights in Des Moines, Iowa, having a length of about.....	2.65

30.	With the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, covering trackage rights in Aberdeen, South Dakota, having a length of about.....	1.90
31.	With the Burlington Northern Railroad Company, covering trackage rights between Minneapolis and St. Paul, Minnesota, having a length of about.....	9.82
32.	With the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, covering trackage rights in Iron Mountain, Michigan, having a length of about.....	1.30
33.	With the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, covering trackage rights between Merriam Park and Norwood, Minnesota, having a length of about.....	43.64
34.	With the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, covering trackage rights between Wolsey and Aberdeen, South Dakota, having a length of about.....	70.60
35.	With the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, covering trackage rights between Northfield and Faribault, Minnesota, having a length of about.....	13.42
36.	With the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, covering trackage rights between Schofield and Rothschild, Wisconsin, having a length of about.....	1.58
37.	With the Indiana Harbor Belt Railroad Company, covering trackage rights between Elmhurst and Blue Island, Illinois, having a length of about.....	20.80
38.	With the Burlington Northern Railroad Company, covering trackage rights between St. Paul, Minnesota, and Superior, Wisconsin, having a length of about.....	134.80
39.	With the Duluth, Missabe and Iron Range Railway Company, covering trackage rights between Saunder and South Itasca, Wisconsin, having a length of about.....	5.26
40.	With Western Railroad Properties, Incorporated, covering trackage rights between Crandall and Shawnee, Wyoming, having a length of about.....	45.20
41.	Lease of MRPI's railroad	849.19

THIRD: All other railroads and leasehold interests and trackage rights in railroads (i) now owned by the Company or (ii) hereafter acquired by the Company as an extension of any line of railroad subject to the lien of this Indenture.

FOURTH: Any and all property of every kind and description, whether owned by the Company at the date of the execution and delivery of this Indenture or thereafter acquired by it, which by any provision of this Indenture the Company is required to convey, mortgage, pledge, assign or transfer to the Trustee hereunder.

FIFTH: All roadbeds, rights of way, rails, tracks, bridges, buildings, structures, fixtures, and all other similar properties, and all rolling stock, other rolling equipment, trucks, automobiles and airplanes, (such personal property being hereinafter called Equipment) of whatever kind, now owned by the Company, or hereafter acquired by the Company, which shall in any wise, or at any time, belong to or appertain to, or be provided for transportation service upon, or use in the operation of, any of the lines of railroad hereby mortgaged, and any and all other property, real or personal, of every kind and description (other than Excepted Property), now owned by the Company or hereafter acquired by the Company, for transportation service upon, or use in the operation of, such lines of railroad or any of them, including specifically, but without limitation, lines of railroad serving as a cut-off or alternate route between points upon lines of railroad now or hereafter subject to this Indenture, but excluding all lands and improvements thereon and other properties not now held and not hereafter acquired for transportation service upon, or use in the operation of, the mortgaged lines of railroad.

SIXTH: Any and all corporate or other rights, privileges, and franchises which the Company now has, or which the Company hereafter shall acquire, possess or become entitled to, for, or appertaining to, the construction, maintenance, use or operation of, such lines of railroad or other property hereby mortgaged.

SEVENTH: Any and all lines of railroad, extensions, branches, terminal facilities, additional track, real property, yards, structures and facilities of every kind, additions, replacements, renewals, improvements and betterments, and any and all other property of every kind and description (notwithstanding the same is not now particularly described in this Indenture) which shall from time to time be constructed or acquired by the Company, in respect of the construction or acquisition whereof Bonds shall be authenticated and delivered, or deposited moneys paid out under this Indenture.

EIGHTH: Any and all the rents, issues, profits, tolls, and other income of such lines of railroad or other property now or at any time hereafter subject to the lien of this Indenture.

NINTH: Any and all property of every kind and description, which from time to time after the date of the execution and delivery of this Indenture by delivery or by writing of any kind shall be conveyed, mortgaged, pledged, assigned or transferred to the Trustee for the purposes hereof, and the Trustee is hereby authorized to receive at any and all times any such property and any such conveyance, mortgage, pledge, assignment and transfer as and for additional security for the payment of the Bonds issued or to be issued under this Indenture and to hold and apply any and all such property subject to the terms hereof.

ANNEX B

[Form of Face of Series A Bonds]

REGISTERED NO.....

REGISTERED \$.....

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

Consolidated Mortgage 14 1/4% Bond,

Series A,

Due 2004

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, a corporation of the State of Delaware (hereinafter called the Company), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ dollars on the 15th day of January, 2004, and to pay interest on said principal sum from the date of original issuance hereof, at the rate of fourteen and one-quarter per cent. (14 1/4%) per annum, semi-annually, on the fifteenth day of January and on the fifteenth day of July in each year until the payment of said principal sum. Payment of the principal of, and premium, if any, on this Bond will be made at the office or agency of either the Trustee or the Company maintained for that purpose in The City of Chicago and in the Borough of Manhattan, The City of New York, and payment of interest thereon will be made, unless other arrangements are made, by check mailed to the person in whose name this Bond is registered at the close of business on December 31 and June 30, as the case may be, immediately preceding such January 15 and July 15, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

Reference is made to the further provisions of this Bond set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Bond shall not be entitled to any benefit under the Consolidated Mortgage, and shall not be valid or obligatory for any purpose until this Bond shall have been authenticated by the certificate hereon of the Trustee under the Consolidated Mortgage.

In Witness Whereof, CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY has caused this Instrument to be signed by its President, or one of its Vice Presidents, either manually or by a facsimile of his signature, and its corporate seal or a facsimile thereof to be hereunto affixed, or engraved or imprinted hereon, and to be attested by its Secretary, or one of its Assistant Secretaries, either manually or by a facsimile of his signature.

DATED

**CHICAGO AND NORTH WESTERN
TRANSPORTATION COMPANY,**

By

President

Attest:

Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION ON ALL BONDS]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds, of the series designated herein, referred to in the within-mentioned Consolidated Mortgage.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,

Trustee

By

Authorized Officer

[FORM OF REVERSE OF SERIES A BONDS]

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY

Consolidated Mortgage 14 1/4% Bond,

Series A,

Due 2004

This Bond is one of the Consolidated Mortgage Bonds of the Company, unlimited as to aggregate principal amount at any one time outstanding, all issued and to be issued in one or more series under, and equally secured by, an indenture, dated as of January 15, 1984, executed by the Company to American National Bank and Trust Company of Chicago, as Trustee, known as the Consolidated Mortgage. For a description of the properties and franchises mortgaged and pledged, the nature and extent of the security, and the rights of the holders of the Bonds and of the Trustee in respect of such security, reference is made to the Consolidated Mortgage and any supplements thereto.

The Consolidated Mortgage permits the amendment thereof or of any supplement thereto or agreement in respect thereof or the modification of or addition to rights of the holders of the Bonds of all or any series under the Consolidated Mortgage or any supplement thereto, but no such amendment, modification or addition may be effected except upon the adoption thereof by the holders of such percentage of the Bonds affected thereby as is specified in the Consolidated Mortgage with respect thereto and upon approval thereof by the Board of Directors of the Company; and, except with the consent of the holder of each Bond which would be affected thereby, to be evidenced by an appropriate legend stamped thereon, no such amendment, modification or addition may reduce the principal amount of any Bond or the rate of interest thereon or otherwise modify the terms of payment of the principal of any Bond (except by modification of any sinking fund provision) or the interest on any Bond or effect a reduction of the percentage required for any action authorized to be taken by the holders of the Bonds. The Consolidated Mortgage specifies the methods by which, and the further terms and conditions on which, such amendments, modifications and additions can be effected.

The Bonds are issuable in series and the several series of Bonds may be for varying aggregate principal amounts and the Bonds of any one series may differ from the Bonds of any other series as to date, maturity, interest rate, redemption, conversion, and sinking fund provisions, if any, and otherwise, all as in the Consolidated Mortgage provided. The Bonds of the series in which this Bond is included are designated Consolidated Mortgage Bonds, Series A.

The Bonds of Series A are redeemable before maturity, at the option of the Company, as a whole, or in part by lot, on any date upon not less than 30 days' notice given as provided in the Consolidated Mortgage, at the following optional redemption prices (expressed as a percentage of the principal amount to be redeemed), together with unpaid interest accrued thereon to the date designated for redemption; provided, however, that no such optional redemption may be effected prior to January 15, 1994, directly or indirectly from or in anticipation of moneys borrowed by or for the account of the Company at an interest cost (calculated in accordance with generally accepted financial practice) of less than 14.50% per annum:

If redeemed during twelve months' period commencing January 15:

<u>Year</u>	<u>%</u>	<u>Year</u>	<u>%</u>
1984	112.68	1994	106.01
1985	112.01	1995	105.34
1986	111.35	1996	104.67
1987	110.68	1997	104.00
1988	110.01	1998	103.34
1989	109.34	1999	102.67
1990	108.68	2000	102.00
1991	108.01	2001	101.33
1992	107.34	2002	100.67
1993	106.67	2003	100.00

As a mandatory sinking fund the Company will pay to the Trustee on or before January 15 of each year, commencing with 1995 and to and including 2003, an amount in cash sufficient to redeem the following principal amounts of Series A Bonds on such January 15 at a sinking fund redemption price of 100% of their principal amount, together with unpaid interest accrued thereon to the date designated for redemption:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1995	\$ 3,900,000	2000	\$ 7,500,000
1996	4,350,000	2001	8,550,000
1997	5,100,000	2002	9,750,000
1998	5,700,000	2003	11,100,000
1999	6,450,000		

In addition, the Company has the non-cumulative option to increase sinking fund payments in any year by an amount not in excess of the mandatory sinking fund for such year. In lieu of making all or part of a mandatory or optional sinking fund payment in cash, the Company may at its option receive credit in an amount equal to the principal amount of Series A Bonds acquired in the open market or otherwise surrendered to the Trustee for cancellation or previously optionally redeemed otherwise than through the optional sinking fund. Subject to the Company's right to carry forward cash in the sinking fund of less than \$50,000, the Trustee will apply cash in the sinking fund to the redemption of bonds at said redemption price on such January 15 upon at least 30 days notice.

If this Bond is duly called for redemption and payment duly provided for, this Bond shall cease to bear interest from and after the date designated for such redemption.

In case an event of default, as defined in the Consolidated Mortgage, shall occur, the principal of the Bonds may be declared, or may become, due and payable in the manner and with the effect provided in the Consolidated Mortgage.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on this Bond or any part thereof or for any claim based thereon or otherwise in respect thereof or in respect of the indebtedness represented thereby or of the Consolidated Mortgage or any supplement thereto or agreement in respect thereof, against any incorporator, stockholder, officer, or director, as such, past, present, or future, of the Company, or of any successor company, either directly or through the Company or any such successor company, whether by any legal or equitable proceeding, by virtue of any statute, constitutional provision, or rule of law, or by the enforcement of any assessment or otherwise, any and all such liability, now existing or hereafter created, being, by the acceptance hereof, and as part of the consideration for the issue hereof, expressly waived and released.

This Bond is transferable by the registered owner hereof, in person or by attorney duly authorized, at the office or agency of either the Trustee or the Company maintained for that purpose in The City of Chicago and in

the Borough of Manhattan, The City of New York, upon surrender and cancellation of this Bond, and, thereupon, one or more new registered Bonds without coupons, of this series, and for the same aggregate principal amount, will be issued to the transferee in exchange therefor, as provided in the Consolidated Mortgage, and on payment, if the Company shall so require, of the charges provided for in the Consolidated Mortgage. The Company and the Trustee may deem and treat the registered owner of this Bond as the owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of the principal hereof or interest hereon and for all other purposes, and neither the Company nor the Trustee shall be affected by any notice to the contrary.